95489201420100100

ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2014

OF THE CONDITION AND AFFAIRS OF THE

COVENTRY HEALTH CARE OF KANSAS, INC.

NAIC Group Code 00001 (Current Period), 00001 (Prior Period) NAIC Company Code 95489 Employer's ID Number 48-0840330

Organized under the Laws of Kansas, State of Domicile or Port of Entry Kansas

Country of Domicile United States

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]
Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [X]
Other [ ] Is HMO, Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 01/02/1976 Commenced Business 10/01/1981

Statutory Home Office PO Box 67103, 3721 Tecport Drive (Street and Number), Harrisburg, PA, US 17106-7103 (City or Town, State, Country and Zip Code)

Main Administrative Office 9401 Indian Creek Parkway, St 1300 (Street and Number)
Overland Park, KY, US 66210 (City or Town, State, Country and Zip Code) 913-202-5400 (Area Code) (Telephone Number)

Mail Address 9401 Indian Creek Parkway, Ste 1300 (Street and Number or P.O. Box), Overland Park, KS, US 66210 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 9401 Indian Creek Parkway, Ste1300 (Street and Number)
Overland Park, KS, US 66210 (City or Town, State, Country and Zip Code), 913-202-5400 (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.chckansas.com

Statutory Statement Contact Frank F. Chronister (Name), 717-541-5742 (Area Code) (Telephone Number) (Extension)
fchronister@aetna.com (E-Mail Address) 717-526-2888 (Fax Number)

OFFICERS

Name	Title	Name	Title
Bradley Jay Clothier	President	Frank F. Chronister III #	Corporate Controller
Edward Chung-I Lee	Vice President and Secretary		

OTHER OFFICERS

Kevin James Casey #	Senior Investment Officer	Elaine Rose Cofrancesco	Vice President and Treasurer
James Harmon Utley	Senior Medical Director		

DIRECTORS OR TRUSTEES

Gregory S. Martino #	Michael Gene Murphy	Bradley Jay Clothier	

State of Kansas
County of
ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices* and *Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Bradley Jay Clothier	Frank F. Chronister III	Edward Chung-I Lee
President	Corporate Controller	Vice President and Secretary

Subscribed and sworn to before me this
_______ day of _______,

a. Is this an original filing? Yes [X] No [ ]
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

		Current Year			Prior Year
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1.	Bonds (Schedule D)	138,629,082		138,629,082	126,186,660
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	0		0	0
	2.2 Common stocks	0		0	0
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	0
	3.2 Other than first liens			0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
	4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
	4.3 Properties held for sale (less $ .... encumbrances)			0	0
5.	Cash ($ 40,133,382 , Schedule E-Part 1), cash equivalents ($ 3,133,822 , Schedule E-Part 2) and short-term investments ($ 49,288 , Schedule DA)	43,316,492		43,316,492	46,594,812
6.	Contract loans (including $ .... premium notes)			0	0
7.	Derivatives (Schedule DB)			0	0
8.	Other invested assets (Schedule BA)	0		0	0
9.	Receivables for securities			0	0
10.	Securities lending reinvested collateral assets (Schedule DL)	2,486,790		2,486,790	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	184,432,364	0	184,432,364	172,781,472
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	1,386,365		1,386,365	1,036,066
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	10,654,805	325,700	10,329,105	4,968,264
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)			0	0
	15.3 Accrued retrospective premiums	829,473		829,473	13,593,775
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	7,467,727		7,467,727	119,364
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts			0	0
17.	Amounts receivable relating to uninsured plans	7,261,503		7,261,503	438,627
18.1	Current federal and foreign income tax recoverable and interest thereon	6,512,663		6,512,663	2,713,642
18.2	Net deferred tax asset	19,867,967	13,788,295	6,079,672	8,650,834
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software			0	0
21.	Furniture and equipment, including health care delivery assets ($ ....)	3,970,679	3,970,679	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates	5,068,134		5,068,134	121,007
24.	Health care ($ ....) and other amounts receivable	461,973	461,973	0	0
25.	Aggregate write-ins for other-than-invested assets	797,291	0	797,291	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	248,710,944	18,546,647	230,164,297	204,423,051
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	248,710,944	18,546,647	230,164,297	204,423,051
DETAILS OF WRITE-INS					
1101.				0	0
1102.				0	0
1103.				0	0
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501.	Recoverable State Income Taxes	616,824		616,824	0
2502.				0	0
2503.	Other Receivables	180,467		180,467	0
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	797,291	0	797,291	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1. Claims unpaid (less $ 335,542 reinsurance ceded)	40,840,630	3,652,132	44,492,762	42,377,476
2. Accrued medical incentive pool and bonus amounts	2,448,705		2,448,705	3,189,528
3. Unpaid claims adjustment expenses	687,383		687,383	671,701
4. Aggregate health policy reserves, including the liability of $ 8,430,447 for medical loss ratio rebate per the Public Health Service Act	9,990,389		9,990,389	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves	310,779		310,779	277,653
8. Premiums received in advance	5,527,879		5,527,879	7,873,542
9. General expenses due or accrued	7,218,913		7,218,913	17,482,383
10.1 Current federal and foreign income tax payable and interest thereon (including $ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	9,638,979		9,638,979	11,781,376
13. Remittances and items not allocated	779,802		779,802	1,588,874
14. Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	21,199,850		21,199,850	794,108
16. Derivatives			0	0
17. Payable for securities	178,678		178,678	117,956
18. Payable for securities lending	2,486,790		2,486,790	0
19. Funds held under reinsurance treaties (with $ authorized reinsurers, $ unauthorized reinsurers and $ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified ($) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	3,770,675		3,770,675	786,483
23. Aggregate write-ins for other liabilities (including $ current)	12,070,778	0	12,070,778	1,974,531
24. Total liabilities (Lines 1 to 23)	117,150,230	3,652,132	120,802,362	88,915,611
25. Aggregate write-ins for special surplus funds	XXX	XXX	8,600,000	0
26. Common capital stock	XXX	XXX	5,000	5,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	172,818,997	172,771,800
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(72,062,062)	(57,269,361)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 $)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 $)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	109,361,935	115,507,439
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	230,164,297	204,423,051
DETAILS OF WRITE-INS				
2301. Office of Personnel Management Liability	1,690,422		1,690,422	1,148,056
2302. Escheat Liability	950,285		950,285	826,475
2303. Affordable care act risk adjustment receivable	4,859,414		4,859,414	0
2398. Summary of remaining write-ins for Line 23 from overflow page	4,570,657	0	4,570,657	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	12,070,778	0	12,070,778	1,974,531
2501. Estimated 2015 Health Insurer Fee Accrual	XXX	XXX	8,600,000	0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	8,600,000	0
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	995,228	1,287,646
2. Net premium income (including $ 0 non-health premium income)	XXX	627,742,833	699,637,188
3. Change in unearned premium reserves and reserve for rate credits	XXX	(12,789,281)	0
4. Fee-for-service (net of $ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	(1,471)	42,400
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	614,952,081	699,679,587
Hospital and Medical:			
9. Hospital/medical benefits	21,937,696	267,260,002	295,569,938
10. Other professional services		633,476	7,146,710
11. Outside referrals		22,745,713	25,119,553
12. Emergency room and out-of-area		12,625,145	13,942,759
13. Prescription drugs		53,474,981	88,965,736
14. Aggregate write-ins for other hospital and medical	0	3,108,944	3,433,407
15. Incentive pool, withhold adjustments and bonus amounts		3,667,160	3,947,966
16. Subtotal (Lines 9 to 15)	21,937,696	363,515,421	438,126,069
Less:			
17. Net reinsurance recoveries		(151,321,069)	(142,782,012)
18. Total hospital and medical (Lines 16 minus 17)	21,937,696	514,836,490	580,908,081
19. Non-health claims (net)			0
20. Claims adjustment expenses, including $ 8,030,484 cost containment expenses		11,134,834	35,236,492
21. General administrative expenses		58,274,087	44,214,639
22. Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		0	0
23. Total underwriting deductions (Lines 18 through 22)	21,937,696	584,245,411	660,359,212
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	30,706,670	39,320,376
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		3,320,544	2,709,487
26. Net realized capital gains (losses) less capital gains tax of $ 192,222		362,150	1,087,002
27. Net investment gains (losses) (Lines 25 plus 26)	0	3,682,694	3,796,489
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]		0	(121,616)
29. Aggregate write-ins for other income or expenses	0	0	(36,824)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	34,389,364	42,958,426
31. Federal and foreign income taxes incurred	XXX	9,912,662	9,053,516
32. Net income (loss) (Lines 30 minus 31)	XXX	24,476,702	33,904,909
DETAILS OF WRITE-INS			
0601. Non Medical Income	XXX		42,400
0602. Other Health Related Revenue	XXX	(1,471)	0
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	(1,471)	42,400
0701. Gain on disposal of fixed assets	XXX		0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401. Other Medical Expenses			3,433,407
1402. Vision Care Refunds		3,108,944	0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	3,108,944	3,433,407
2901. Loss on Disposal of Fixed Assets			(36,824)
2902.			0
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	(36,824)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	115,507,439	113,732,926
34. Net income or (loss) from Line 32	24,476,702	33,904,909
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of $ (78,288)	(145,393)	(98,315)
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	(2,064,417)	3,244,912
39. Change in nonadmitted assets	1,540,407	(3,228,592)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	47,197	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders	(30,000,000)	(29,700,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	(2,348,401)
48. Net change in capital and surplus (Lines 34 to 47)	(6,145,504)	1,774,513
49. Capital and surplus end of reporting year (Line 33 plus 48)	109,361,935	115,507,439
DETAILS OF WRITE-INS		
4701. Change in Non Admits of I/C Balance - Prior Year		(2,348,401)
4702. Correction of Deferred Income Taxes in Prior Period		572,210
4703. Correction of Non Admit DTA in Prior Period		(572,210)
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	(2,348,401)

CASH FLOW

Cash from Operations	1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance	629,676,039	722,232,584
2. Net investment income	4,290,044	3,574,693
3. Miscellaneous income	(1,471)	42,400
4. Total (Lines 1 through 3)	633,964,611	725,849,677
5. Benefit and loss related payments	520,777,264	624,265,106
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	83,495,393	77,237,716
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	13,903,904	10,032,137
10. Total (Lines 5 through 9)	618,176,561	711,534,960
11. Net cash from operations (Line 4 minus Line 10)	15,788,051	14,314,717
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	47,938,459	91,188,343
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(17)	72
12.7 Miscellaneous proceeds	60,723	266,395
12.8 Total investment proceeds (Lines 12.1 to 12.7)	47,999,165	91,454,810
13. Cost of investments acquired (long-term only):		
13.1 Bonds	61,369,972	110,850,687
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	2,486,787	148,442
13.7 Total investments acquired (Lines 13.1 to 13.6)	63,856,759	110,999,129
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(15,857,594)	(19,544,319)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	47,197	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	30,000,000	29,700,000
16.6 Other cash provided (applied)	26,744,026	919,346
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(3,208,777)	(28,780,654)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(3,278,320)	(34,010,256)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	46,594,812	80,605,068
19.2 End of year (Line 18 plus Line 19.1)	43,316,492	46,594,812

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	627,742,833	227,943,295	0	0	0	35,357,519	364,442,019	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	(12,789,281)	(4,358,834)					(8,430,447)			
3. Fee-for-service (net of $ .... medical expenses)	0						0			XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	(1,470)	(1,470)	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	614,952,082	223,582,991	0	0	0	35,357,519	356,011,572	0	0	0
8. Hospital/medical benefits	267,260,002	143,021,424				18,705,532	106,844,587	(1,311,541)		XXX
9. Other professional services	633,476	234,611				33,884	364,981			XXX
10. Outside referrals	22,745,713	12,068,875				1,592,200	9,084,638			XXX
11. Emergency room and out-of-area	12,625,145	6,698,902				883,760	5,042,483			XXX
12. Prescription drugs	53,474,981	30,965,699				3,412,456	19,316,636	(219,810)		XXX
13. Aggregate write-ins for other hospital and medical	3,108,944	1,649,606	0	0	0	217,626	1,241,712	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	3,667,160	2,559,517					1,107,643			XXX
15. Subtotal (Lines 8 to 14)	363,515,421	197,198,634	0	0	0	24,845,458	143,002,680	(1,531,351)	0	XXX
16. Net reinsurance recoveries	(151,321,069)	6,654,729					(157,975,798)			XXX
17. Total hospital and medical (Lines 15 minus 16)	514,836,490	190,543,905	0	0	0	24,845,458	300,978,478	(1,531,351)	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including $ 8,030,484 cost containment expenses	11,134,835	3,291,177				520,468	4,800,307	9	2,522,874	
20. General administrative expenses	58,274,087	25,410,249				4,018,389	37,061,817	71	(8,216,439)	
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	584,245,412	219,245,331	0	0	0	29,384,315	342,840,602	(1,531,271)	(5,693,565)	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	30,706,670	4,337,660	0	0	0	5,973,204	13,170,970	1,531,271	5,693,565	0
DETAILS OF WRITE-INS										
0501. Other Revenue	(1,470)	(1,470)								XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	(1,470)	(1,470)	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. Other Medical	3,108,944	1,649,606				217,626	1,241,712			XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	3,108,944	1,649,606	0	0	0	217,626	1,241,712	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	228,464,883		521,588	227,943,295
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	35,357,519			35,357,519
6. Title XVIII - Medicare	175,863,139	188,578,880		364,442,019
7. Title XIX - Medicaid	0			0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	439,685,541	188,578,880	521,588	627,742,833
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	439,685,541	188,578,880	521,588	627,742,833

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	359,053,817	195,070,280				24,420,755	139,179,036	383,746		
1.2 Reinsurance assumed	157,975,798						157,975,798			
1.3 Reinsurance ceded	660,334	101,800				129,334	429,200			
1.4 Net	516,369,281	194,968,480	0	0	0	24,291,421	296,725,634	383,746	0	0
2. Paid medical incentive pools and bonuses	4,407,982	3,296,978					1,111,004			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	44,828,304	25,682,332	0	0	0	2,724,707	16,455,738	(34,473)	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	335,542	335,542	0	0	0	0	0	0	0	0
3.4 Net	44,492,762	25,346,790	0	0	0	2,724,707	16,455,738	(34,473)	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	310,779	279,021				31,758				
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	
4.4 Net	310,779	279,021	0	0	0	31,758	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	2,448,705	2,179,807					268,898			
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	7,467,727	7,467,727								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	44,066,987	26,288,465	0	0	0	2,320,693	13,577,204	1,880,624	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	1,689,511	1,215,813	0	0	0	129,334	344,363	0	0	0
8.4 Net	42,377,476	25,072,652	0	0	0	2,191,359	13,232,841	1,880,624	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	277,653	104,051	0	0	0	11,069	162,533	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	277,653	104,051	0	0	0	11,069	162,533	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	3,189,528	2,917,269	0	0	0	0	272,259	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	119,364	34,527	0	0	0	0	84,837	0	0	0
12. Incurred benefits:										
12.1 Direct	359,848,260	194,639,116	0	0	0	24,845,458	141,895,037	(1,531,351)	0	0
12.2 Reinsurance assumed	157,975,798	0	0	0	0	0	157,975,798	0	0	0
12.3 Reinsurance ceded	6,654,728	6,654,729	0	0	0	0	(1)	0	0	0
12.4 Net	511,169,330	187,984,388	0	0	0	24,845,458	299,870,836	(1,531,351)	0	0
13. Incurred medical incentive pools and bonuses	3,667,159	2,559,516	0	0	0	0	1,107,643	0	0	0

(a) Excludes $ .... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	0									
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct	44,828,304	25,682,332				2,724,707	16,455,738	(34,473)		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	335,542	335,542								
2.4. Net	44,492,762	25,346,790	0	0	0	2,724,707	16,455,738	(34,473)	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	44,828,304	25,682,332	0	0	0	2,724,707	16,455,738	(34,473)	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	335,542	335,542	0	0	0	0	0	0	0	0
4.4. Net	44,492,762	25,346,790	0	0	0	2,724,707	16,455,738	(34,473)	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
Line of Business	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	16,593,697	170,941,582	392,177	25,233,635	16,985,874	25,176,703
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan	2,788,556	21,502,864	40,395	2,716,071	2,828,951	2,202,428
6. Title XVIII - Medicare	11,256,392	285,554,080	655,073	15,800,665	11,911,465	13,395,374
7. Title XIX - Medicaid		383,746	(34,473)		(34,473)	1,880,624
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	30,638,645	478,382,272	1,053,172	43,750,371	31,691,817	42,655,129
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts		4,407,980		2,448,706	0	3,189,528
13. Totals (Lines 9-10+11+12)	30,638,645	482,790,252	1,053,172	46,199,077	31,691,817	45,844,657

(a) Excludes $ .... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	4,234,441	4,234,293	4,234,287	4,234,274	4,234,274
2. 2010	304,517	334,084	334,070	334,050	334,050
3. 2011	XXX	304,974	338,237	338,202	338,202
4. 2012	XXX	XXX	299,274	327,785	327,785
5. 2013	XXX	XXX	XXX	258,519	275,113
6. 2014	XXX	XXX	XXX	XXX	170,942

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	4,007,914	2,445,586	4,234,307	4,234,274	4,234,274
2. 2010	340,575	334,084	334,070	334,050	334,050
3. 2011	XXX	339,229	338,306	338,202	338,202
4. 2012	XXX	XXX	340,388	327,785	327,785
5. 2013	XXX	XXX	XXX	283,696	284,088
6. 2014	XXX	XXX	XXX	XXX	196,175

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	412,469	334,050		0.0	334,050	81.0			334,050	81.0
2. 2011	409,379	338,202		0.0	338,202	82.6			338,202	82.6
3. 2012	393,632	327,785		0.0	327,785	83.3			327,785	83.3
4. 2013	338,907	275,113	482	0.2	275,595	81.3	392		275,987	81.4
5. 2014	228,465	170,942	5,304	3.1	176,245	77.1	27,413	393	204,052	89.3

Pt 2C - Sn A - Paid Claims - MS

NONE

Pt 2C - Sn A - Paid Claims - DO

NONE

Pt 2C - Sn A - Paid Claims - VO

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A – Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	303,244	303,156	303,156	303,156	303,156
2. 2010	35,134	38,181	38,181	38,181	38,181
3. 2011	XXX	0	0	0	
4. 2012	XXX	XXX	32,277	37,475	37,475
5. 2013	XXX	XXX	XXX	30,404	33,193
6. 2014	XXX	XXX	XXX	XXX	21,503

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	302,898	302,810	303,156	303,156	303,156
2. 2010	37,984	38,181	38,181	38,181	38,181
3. 2011	XXX	0	0	0	
4. 2012	XXX	XXX	35,091	37,475	37,475
5. 2013	XXX	XXX	XXX	32,606	32,646
6. 2014	XXX	XXX	XXX	XXX	24,219

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	43,321	38,181		0.0	38,181	88.1			38,181	88.1
2. 2011	0	0		0.0	0	0.0			0	0.0
3. 2012	38,991	37,475		0.0	37,475	96.1			37,475	96.1
4. 2013	37,484	33,193	75	0.2	33,267	88.8	40		33,308	88.9
5. 2014	35,358	21,503	821	3.8	22,324	63.1	2,716	42	25,082	70.9

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Medicare

	Cumulative Net Amounts Paid				
Year in Which Losses Were Incurred	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	1,005,515	1,005,574	1,005,399	1,005,395	1,005,395
2. 2010	58,304	64,993	64,961	64,952	64,952
3. 2011	XXX	147,711	156,112	156,125	156,125
4. 2012	XXX	XXX	241,020	251,039	251,039
5. 2013	XXX	XXX	XXX	267,797	279,053
6. 2014	XXX	XXX	XXX	XXX	285,554

Section B - Incurred Health Claims - Medicare

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
Year in Which Losses Were Incurred	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	1,005,515	1,005,574	1,005,399	1,005,395	1,005,395
2. 2010	66,779	64,993	64,961	64,952	64,952
3. 2011	XXX	157,708	156,155	156,125	156,125
4. 2012	XXX	XXX	254,986	251,039	251,039
5. 2013	XXX	XXX	XXX	281,192	281,547
6. 2014	XXX	XXX	XXX	XXX	301,355

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	82,369	64,952		0.0	64,952	78.9			64,952	78.9
2. 2011	191,542	156,125		0.0	156,125	81.5			156,125	81.5
3. 2012	150,296	251,039		0.0	251,039	167.0			251,039	167.0
4. 2013	156,945	279,053	371	0.1	279,425	178.0	655		280,080	178.5
5. 2014	175,863	285,554	4,083	1.4	289,637	164.7	16,070	252	305,959	174.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

	Cumulative Net Amounts Paid				
Year in Which Losses Were Incurred	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	18,398	18,398	18,398	18,398	18,398
2. 2010	0	0	0	0	
3. 2011	XXX	0	0	0	
4. 2012	XXX	XXX	261,245	283,735	283,735
5. 2013	XXX	XXX	XXX	0	
6. 2014	XXX	XXX	XXX	XXX	384

Section B – Incurred Health Claims - Title XIX Medicaid

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
Year in Which Losses Were Incurred	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	18,398	18,398	18,398	18,398	18,398
2. 2010	0	0	0	0	
3. 2011	XXX	0	0	0	
4. 2012	XXX	XXX	291,802	285,615	285,615
5. 2013	XXX	XXX	XXX	0	(34)
6. 2014	XXX	XXX	XXX	XXX	384

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	0	0		0.0	0	0.0			0	0.0
2. 2011	0	0		0.0	0	0.0			0	0.0
3. 2012	314,891	283,735		0.0	283,735	90.1			283,735	90.1
4. 2013	285	0		0.0	0	0.0	(34)		(34)	(12.1)
5. 2014		384		0.0	384	0.0		(1)	383	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	5,561,598	5,561,421	5,561,240	5,561,223	5,561,223
2. 2010	397,955	437,258	437,212	437,183	437,183
3. 2011	XXX	452,685	494,349	494,327	494,327
4. 2012	XXX	XXX	833,816	900,034	900,034
5. 2013	XXX	XXX	XXX	556,720	587,359
6. 2014	XXX	XXX	XXX	XXX	478,382

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	5,334,725	3,772,368	5,561,260	5,561,223	5,561,223
2. 2010	445,338	437,258	437,212	437,183	437,183
3. 2011	XXX	496,937	494,461	494,327	494,327
4. 2012	XXX	XXX	922,267	901,914	901,914
5. 2013	XXX	XXX	XXX	597,494	598,247
6. 2014	XXX	XXX	XXX	XXX	522,133

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	538,159	437,183	0	0.0	437,183	81.2	0	0	437,183	81.2
2. 2011	600,921	494,327	0	0.0	494,327	82.3	0	0	494,327	82.3
3. 2012	897,810	900,034	0	0.0	900,034	100.2	0	0	900,034	100.2
4. 2013	533,621	587,359	928	0.2	588,287	110.2	1,053	0	589,340	110.4
5. 2014	439,686	478,382	10,207	2.1	488,589	111.1	46,199	687	535,476	121.8

Pt 2C - Sn B - Incurred Claims - MS

NONE

Pt 2C - Sn B - Incurred Claims - DO

NONE

Pt 2C - Sn B - Incurred Claims - VO

NONE

Part 2C - Sn C - Claims Expense Ratio MS

NONE

Part 2C - Sn C - Claims Expense Ratio DO

NONE

Part 2C - Sn C - Claims Expense Ratio VO

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $ .... for investment income)	9,990,389					1,500,000	8,490,389		
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	9,990,389	0	0	0	0	1,500,000	8,490,389	0	0
7. Reinsurance ceded	0								
8. Totals (Net) (Page 3, Line 4)	9,990,389	0	0	0	0	1,500,000	8,490,389	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	310,779	279,021				31,758			
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	310,779	279,021	0	0	0	31,758	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net) (Page 3, Line 7)	310,779	279,021	0	0	0	31,758	0	0	0
DETAILS OF WRITE-INS									
0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $ .... premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses 1 Cost Containment Expenses	Claim Adjustment Expenses 2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
1. Rent ($ .... for occupancy of own building)		32,144	648,974	1,773	682,891
2. Salaries, wages and other benefits	6,120,352	1,574,329	25,609,104	86,826	33,390,611
3. Commissions (less $ .... ceded plus $ .... assumed)			9,872,924		9,872,924
4. Legal fees and expenses	77,034	19,815	338,713	1,093	436,655
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services		271,453	6,140,368		6,411,821
7. Traveling expenses		42,444	856,928	2,341	901,713
8. Marketing and advertising			1,637,799		1,637,799
9. Postage, express and telephone		106,071	2,141,540	5,850	2,253,461
10. Printing and office supplies		56,745	1,145,666	3,130	1,205,541
11. Occupancy, depreciation and amortization					0
12. Equipment		82,293	1,661,472	4,539	1,748,304
13. Cost or depreciation of EDP equipment and software		206,387	4,178,728		4,385,115
14. Outsourced services including EDP, claims, and other services	1,671,798	430,034	8,648,853	23,717	10,774,402
15. Boards, bureaus and association fees	13,293	3,419	55,744	189	72,645
16. Insurance, except on real estate	148,007	38,072	622,744		808,823
17. Collection and bank service charges		8,223	187,644	453	196,320
18. Group service and administration fees		7,530	152,446		159,976
19. Reimbursements by uninsured plans			(25,676,371)		(25,676,371)
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses		50,006	1,009,596	2,758	1,062,360
22. Real estate taxes		5,529	111,930		117,459
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			574,046		574,046
23.2 State premium taxes			2,354,937		2,354,937
23.3 Regulatory authority licenses and fees			148,835		148,835
23.4 Payroll taxes		128,117	2,586,627	7,066	2,721,810
23.5 Other (excluding federal income and real estate taxes)		5,429	12,920,102		12,925,531
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	36,310	344,738	0	381,048
26. Total expenses incurred (Lines 1 to 25)	8,030,484	3,104,350	58,274,087	139,735	(a) 69,548,656
27. Less expenses unpaid December 31, current year		687,383	7,218,913		7,906,296
28. Add expenses unpaid December 31, prior year	0	671,701	17,482,383	0	18,154,084
29. Amounts receivable relating to uninsured plans, prior year	0	0	438,627	0	438,627
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	8,030,484	3,088,668	68,098,930	139,735	79,357,817
DETAILS OF WRITE-INS					
2501. Other Expenses		36,310	344,738		381,048
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	36,310	344,738	0	381,048

(a) Includes management fees of $ 77,060,325 to affiliates and $ .... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 76,295	75,937
1.1	Bonds exempt from U.S. tax	(a) 1,558,121	1,772,295
1.2	Other bonds (unaffiliated)	(a) 1,443,274	1,579,749
1.3	Bonds of affiliates	(a) 0	
2.1	Preferred stocks (unaffiliated)	(b) 0	
2.11	Preferred stocks of affiliates	(b) 0	
2.2	Common stocks (unaffiliated)	0	
2.21	Common stocks of affiliates	0	
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 29,545	29,554
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	2,742	2,742
10.	Total gross investment income	3,109,977	3,460,277
11.	Investment expenses		(g) 139,733
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		139,733
17.	Net investment income (Line 10 minus Line 16)		3,320,544
	DETAILS OF WRITE-INS		
0901.	Misc Sec Lending	2,742	2,742
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	2,742	2,742
1501.	Investment Manager change in LTD amortization		
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes $ 58,757 accrual of discount less $ 1,378,556 amortization of premium and less $ 260,351 paid for accrued interest on purchases.
(b) Includes $ accrual of discount less $ amortization of premium and less $ 0 paid for accrued dividends on purchases.
(c) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ paid for accrued interest on purchases.
(d) Includes $ for company's occupancy of its own buildings; and excludes $ interest on encumbrances.
(e) Includes $ 29,544 accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.
(f) Includes $ accrual of discount less $ amortization of premium.
(g) Includes $ investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ interest on surplus notes and $ interest on capital notes.
(i) Includes $ depreciation on real estate and $ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	1,006		1,006		
1.1	Bonds exempt from U.S. tax	496,137		496,137		
1.2	Other bonds (unaffiliated)	57,246		57,246	(223,681)	
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	(17)		(17)	0	0
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	554,372	0	554,372	(223,681)	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	325,700	0	(325,700)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	13,788,295	13,203,263	(585,032)
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	5,074	5,074
21. Furniture and equipment, including health care delivery assets	3,970,679	4,543,736	573,057
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	12,554	12,554
24. Health care and other amounts receivable	461,973	386,623	(75,350)
25. Aggregate write-ins for other-than-invested assets	0	1,935,804	1,935,804
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	18,546,647	20,087,054	1,540,407
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	18,546,647	20,087,054	1,540,407
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Non Admitted Prepaid Assets	0	1,935,804	1,935,804
2502.		0	0
2503.		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	1,935,804	1,935,804

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of 1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1. Health Maintenance Organizations	17,941	24,091	24,172	23,515	21,488	279,318
2. Provider Service Organizations	0					
3. Preferred Provider Organizations	0					
4. Point of Service	56,943	55,212	62,696	61,912	59,227	715,910
5. Indemnity Only	0					
6. Aggregate write-ins for other lines of business	14,935	0	0	0	0	0
7. Total	89,819	79,303	86,868	85,427	80,715	995,228
DETAILS OF WRITE-INS						
0601. Medicare	14,935					
0602. Medicaid	0					
0603.	0					
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	14,935	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

A. Accounting practices

The accompanying statutory financial statements of Coventry Health Care of Kansas, Inc (a Kansas corporation) (the "Company"), indirectly a wholly-owned subsidiary of Aetna Inc. ("Aetna"), have been prepared in conformity with accounting practices prescribed or permitted by the Kansas Insurance Department ("Kansas Department") ("Kansas Accounting Practices"). The Kansas Department recognizes only statutory accounting practices prescribed or permitted by the state of Kansas for determining and reporting the financial condition and results of operations of an insurance company, which include accounting practices and procedures adopted by the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP").

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Kansas for the years ending December 31, 2014 and 2013 is as follows:

	State of Domicile	2014	2013
NET INCOME			
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	KS	$ 24,476,702	$ 33,904,909
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:			
(3) State Permitted Practices that increase/(decrease) NAIC SAP:			
(4) NAIC SAP (1-2-3=4)	KS	$ 24,476,702	$ 33,904,909
SURPLUS			
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	KS	$ 109,361,935	$ 115,507,439
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:			
(7) State Permitted Practices that increase/(decrease) NAIC SAP:			
(8) NAIC SAP (5-6-7=8)	KS	$ 109,361,935	$ 115,507,439

B. Use of estimates in the preparation of the financial statements

The preparation of these financial statements in conformity with Kansas Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses. Actual results could differ from those estimates.

C. Accounting policies

The Company applies the following significant accounting policies:

(1) Cash, cash equivalents and short-term investments

Cash and cash equivalents include all highly liquid instruments readily convertible to cash with a maturity of three months or less from the date of purchase. Short-term investments primarily consist of investments purchased with an original maturity of one year or less. The carrying amounts of cash and cash equivalents and short-term investments reported in the accompanying Statutory Statements of Assets approximate fair value. Drafts that have not been presented for payment and remain outstanding at the balance sheet date are reported as a liability in the Statutory Statements of Liabilities, Capital and Surplus.

(2) Bonds

Bonds, which include special deposits, are carried at amortized cost except for those bonds with an NAIC designation of 3 through 6, which are carried at the lower of amortized cost or fair value. The amount carried at fair value is not material to the financial statements. Bond premiums and discounts are amortized using the scientific interest method. When quoted prices in active markets for identical assets are available, the Company uses these quoted market prices to determine the fair value of bonds. This is used primarily for U.S. government securities. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, the Company estimates fair values using valuation methodologies based on available and observable market information or by using a matrix pricing model. If quoted market prices are not available, the Company determines fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. The Company had no investments where fair value was determined using broker quotes or an internal analysis of financial performance and cash flow projections at December 31, 2014 and 2013. Bonds include all investments whose maturity is greater than one year when purchased.

The Company periodically reviews its bonds to determine whether a decline in fair value below the carrying value is other-than-temporary. For bonds, other than loan-backed and structured securities, an other-than-temporary impairment ("OTTI") shall be recorded if it is probable that the Company will be unable to collect all amounts due according to the contractual terms in effect at the date of acquisition. Yield-related impairments are deemed other-than-temporary when the Company intends to sell an investment at the reporting date before recovery of the cost of the investment. Declines deemed to be OTTI are recognized as realized capital losses.

For loan-backed and structured securities, the Company records OTTI when the fair value of the loan-backed or structured security is less than the amortized cost basis at the balance sheet date and (1) the Company intends to sell the investment, or (2) the Company does not have the intent and ability to retain the investment for the time sufficient to recover the amortized cost basis, or (3) the Company does not expect to recover the entire amortized cost basis of the security, even if it does not intend to sell the security and has the intent and ability to hold. If it is determined an OTTI has occurred because of (1) or (2), the amount of the OTTI is equal to the difference between the amortized cost and the fair value of the security at the balance sheet date and this difference is recorded as a realized capital loss. If it is determined an OTTI has occurred because of (3), the amount of the OTTI is equal to the difference between the amortized cost and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate and this difference is also accounted for as a realized capital loss.

The Company analyzes all relevant facts and circumstances for each investment when performing its analysis to determine whether an OTTI exists. Among the factors considered in evaluating whether a decline is other-than-temporary, management considers whether the decline in fair value results from a change in the quality of the investment security itself, whether the decline results from a downward movement in the market as a whole, the prospects for realizing the carrying value of the bond based on the investee's current and short-term prospects for recovery and other factors. The risks inherent in assessing the impairment of an investment include the risk that market factors may differ from our expectations and the risk that facts and circumstances factored into our assessment may change with the passage of time. Unexpected changes to market factors and circumstances that were not present in past reporting periods may result in a current period decision to sell securities that were not other-than-temporarily impaired in prior reporting periods.

(3) The Company did not own common stocks at December 31, 2014 or 2013.

(4) The Company did not own any preferred stock at December 31, 2014 or 2013.

(5) The Company did not have any mortgage loans at December 31, 2014 or 2013.

(6) <u>Securities lending</u>

The Company engages in securities lending by lending certain debt securities from its investment portfolio to other institutions for short periods of time. Borrowers must post cash collateral in the amount of 102% to 105% of the fair value of the loaned securities. The fair value of the loaned securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned securities fluctuate. The collateral is retained and invested by a lending agent according to the Company's guidelines to generate additional investment income for the Company. Pursuant to Statements of Statutory Accounting Principles ("SSAP") No. 103, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* ("SSAP No. 103"), collateral required under the Company's securities lending program is carried on the Company's Statutory Statements of Assets and Liabilities, Capital and Surplus at December 31, 2014 and 2013 as both a receivable and payable. SSAP No. 103 became authoritative guidance for accounting and reporting of transfers and servicing of financial assets and extinguishment of liabilities beginning January 1, 2013 and supersedes SSAP No. 91R - Revised, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities.* Also pursuant to SSAP No. 103, if the collateral received from a counter-party is less than 100% at the reporting date, the difference between the actual collateral and 100% is non-admitted. Collateral value is measured and compared to the loaned securities in aggregate by counterparty.

At December 31, 2014 and 2013, the fair value of collateral was $2,486,790 and $0, respectively.

(7) The Company did not have any investments in subsidiaries, controlled and affiliated companies at December 31, 2014 or 2013.

(8) The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2014 or 2013.

(9) The Company did not have any derivatives at December 31, 2014 or 2013.

(10) <u>Aggregate health policy reserves and related expenses</u>

Premium deficiency reserves ("PDR") are recognized when it is probable that the expected future hospital and medical costs, including maintenance costs, will exceed anticipated future premiums and reinsurance recoveries on existing contracts. Where allowed, anticipated investment income is considered in the calculation of any PDR. For purposes of calculating a PDR, contracts are grouped in manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts. There was no

PDR recorded in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus at December 31, 2014 and 2013.

The Company is required to make premium rebate payments to customers that are enrolled under certain health insurance policies if specific minimum annual medical loss ratios (“MLR”) were not met in the prior year. The Company’s results for full-year 2014 and 2013 included an estimate of $8,430,447 and $0, respectively, of minimum MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus. The Company paid $0 of minimum MLR rebates in 2014 for the year 2013. The Company paid $0 of minimum MLR rebates in 2013 for the year 2012.

The Company contracts with the Office of Personnel Management (“OPM”) to provide managed health care services under the Federal Employees Health Benefits Program (“FEHBP”) in their service areas. OPM regulations require that FEHBP plans meet a FEHBP program-specific MLR by plan code and market. The Company’s results for full-years 2014 and 2013 included estimates of $0 and $0, respectively, of minimum FEHBP MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus. The Company paid $0 for FEHBP MLR rebates in 2014 for the year 2013 and $541,000 for FEHBP MLR rebates in 2013 for the year 2012.

(11) Hospital and medical costs and claims adjustment expenses and related reserves

Hospital and medical costs consist principally of fee-for-service medical claims and capitation costs. Claims unpaid include the Company's estimate of payments to be made on claims reported but not yet paid and for health care services rendered to enrollees but not yet reported to the Company as of the Statutory Statements of Assets and Liabilities, Capital and Surplus date. Such estimates are developed using actuarial principles and assumptions, which consider, among other things, historical and projected claim submission and processing patterns, medical cost trends, historical utilization of health care services, claim inventory levels, changes in membership and product mix, seasonality and other relevant factors. The Company reflects changes in estimates in hospital and medical costs in the Statutory Statements of Revenue and Expenses in the period they are determined. Capitation costs, which are recorded in hospital and medical expenses in the Statutory Statements of Revenue and Expenses, represent contractual monthly fees paid to participating physicians and other medical providers for providing medical care, regardless of the medical services provided to the enrollee.

The Company uses the triangulation method to estimate reserves for claims incurred but not reported. The method of triangulation makes estimates of completion factors that are then applied to the total paid claims (net of coordination of benefits) to date for each incurral month. This provides an estimate of the total projected incurred claims and total amount outstanding or claims incurred but not reported (claims unpaid). For the most current dates of service where there is insufficient paid claim data to rely solely on the triangulation method, the Company examines cost and utilization trends as well as environmental factors, plan changes, provider contracts, changes in membership and/or benefits, and historical seasonal patterns to estimate the reserve required for these months.

Claims adjustment expenses, which include cost containment expenses, represent the costs incurred related to the claim settlement process such as costs to record, process and adjust claims. These expenses are included in the Company's management agreement with an affiliate described in Note 10.

(12) The Company did not modify its capitalization policy from the prior period.

(13) Pharmaceutical rebate receivables

The Company estimates pharmaceutical rebate receivables based upon historical payment trends, actual utilization and other variables. Pharmaceutical rebates for a quarter are billed to the vendor within one month of the completion of the quarter with any adjustment to previously recorded amounts reflected at the time of billing. The Company reports pharmaceutical rebate receivables as health care receivables. Pharmacy rebate receivables over 90 days past due are non-admitted. All rebates are processed and settled with an affiliated entity.

(14) Premiums and amounts due and unpaid

Premium revenue for prepaid health care products is recognized as income in the month in which enrollees are entitled to health care services. Premiums collected before the effective period are reported as premiums received in advance. Premiums related to unexpired contractual coverage periods are reported as unearned premiums in the Statutory Statements of Liabilities, Capital and Surplus (refer to discussion of aggregate health policy reserves and related expenses above).

Non-admitted amounts consist of all premiums due and unpaid greater than 90 days past due, with the exception of amounts due under government insured plans, which may be admitted assets under certain circumstances. In addition, for any customer for which the premiums due and unpaid greater than 90 days past due is more than a de minimus portion of the entire balance of premiums due and unpaid for that customer, the entire balance of premiums due and unpaid for that customer is non-admitted. Management also performs a specific review of accounts and based on the results of the review, additional amounts may be non-admitted. Uncollectible amounts are generally written-off and charged to revenue in the period in which the customer reconciliations are completed and agreed to by the customer (retroactivity) or when the account is determined to be uncollectible by the Company.

(15) Aggregate health claim reserves

The reserve for future contingent benefits includes the estimated cost of services that will continue to be incurred after the Statutory Statements of Liabilities, Capital and Surplus date if the Company is obligated to pay for such services in accordance with contract provisions or regulatory requirements. These balances are recorded in aggregate health claim reserves in the Statutory Statements of Liabilities, Capital and Surplus and are estimated using a percentage of current hospital and medical costs, which is based on the Company's historical cost experience.

(16) Investment income due and accrued

Accrued investment income consists primarily of interest. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date. Due and accrued income is not recorded on: (a) bonds in default; and (b) bonds delinquent more than 90 days or where collection of interest is improbable. At December 31, 2014 and 2013, the Company did not have any non-admitted investment income due and accrued.

(17) Covered and uncovered expenses and related liabilities

Covered expenses and related liabilities represent costs for health care expenses for which a member is not responsible in the event of the insolvency of the Company. Uncovered expenses and related liabilities represent costs to the Company for health care services that are the obligation of the Company and for which a member may also be liable in the event of the Company's insolvency.

(18) Health Insurer Fee

Effective January 1, 2014, SSAP No. 35 – Revised, *Guaranty Fund and Other Assessments* ("SSAP No. 35R") was revised to adopt Financial Accounting Standards Board Accounting Standards Update 2011-06, Other Expenses – Fees Paid to the Federal Government by Health Insurers ("ASU 2011-06") with modifications. ASU 2011-06 provides specific guidance related to the assessment of the annual fee ("health insurer fee") mandated to be paid to the federal government by health insurers under Section 9010 of the Affordable Care Act ("ACA"). In June 2014, the guidance in SSAP No. 35R related to the health insurer fee was moved from SSAP No. 35R to SSAP No. 106 – *Affordable Care Act Assessments* ("SSAP No. 106"). Beginning January 1, 2014, SSAP No. 106 required (1) that the health insurer fee be recognized in full on January 1 of the fee year (the calendar year in which the assessment must be paid to the federal government), in the operating expense category of insurance taxes, licenses and fees, excluding federal income taxes and (2) that in each data year preceding a fee year a reporting entity pro-ratably accrue by reclassifying from unassigned funds (surplus) to aggregate write-ins for special surplus funds an amount equal to its estimated subsequent fee year assessment. This reclassification has no impact on total capital and surplus and is reversed in full on January 1 of the fee year beginning with fee years starting on January 1, 2015 and after. On September 26, 2014, the Company paid $7,846,700 to the federal government for its portion of the health insurer fee payable on September 30, 2014 and the amount reclassified from unassigned funds (surplus) to aggregate write-ins for special surplus was estimated to be $8,600,000. See Note 22 for disclosure of all amounts related to the health insurer fee for the Company.

(19) Accounting for the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010's (collectively, "Health Care Reform") Reinsurance, Risk Adjustment and Risk Corridor (the "3Rs") pursuant to SSAP No. 107 – *Accounting for the Risk-Sharing Provisions of the Affordable Care Act* ("SSAP No. 107")

Reinsurance

Health Care Reform established a temporary three-year reinsurance program, whereby all issuers of major medical commercial insurance products and self-insured plan sponsors are required to contribute funding in amounts set by the U.S. Department of Health and Human Services ("HHS"). Funds collected will be utilized to reimburse issuers' high claims costs incurred for qualified individual members. The expense related to this required funding is reflected in insurance, taxes, licenses and fees for all of the Company's insurance products with the exception of products associated with qualified individual members; this expense for qualified individual members is reflected as a reduction of premium revenue. When annual claim costs incurred by the Company's qualified individual members exceed a specified attachment point, the Company is entitled to certain reimbursements from this program. The Company records amounts recoverable for claims paid and unpaid and ceded claim benefit recoveries to reflect its estimate of these recoveries.

Risk Adjustment

Health Care Reform established a permanent risk adjustment program to transfer funds from qualified individual and small group insurance plans with below average risk scores to those respective plans with above average risk scores. Based on the risk of the Company's qualified plan members relative to the average risk of members of other qualified plans in comparable markets, the Company estimates its ultimate 2014 risk adjustment receivable or payable and reflects the impact as an adjustment to its premium revenue.

Risk Corridor

Health Care Reform established a temporary three-year risk sharing program for qualified individual and small group insurance plans. Under this program the Company makes (or receives) a payment to (or from) HHS based on the ratio of allowable costs to target costs (as defined by Health Care Reform). The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on the Company's estimate of the ultimate 2014 risk sharing amount.

The Company will perform a final reconciliation and settlement with HHS of the 2014 3Rs during 2015. See Note 24.E. for disclosure of amounts related to the 3Rs for the Company for the period ending December 31, 2014.

(20) Federal and state income and premium taxes

In accordance with a written tax sharing agreement with an affiliate, the Company's current federal and state income tax provisions are generally computed as if the Company were filing a separate federal and state income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup federal and state income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal and state income taxes.

Deferred income tax assets ("DTAs") and liabilities ("DTLs") represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in SSAP No. 101. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

Pursuant to SSAP No. 101, gross DTAs are first reduced by a statutory valuation allowance adjustment to an amount that is more likely than not to be realized ("adjusted gross DTAs"). Adjusted gross DTAs are then admitted in an amount equal to the sum of paragraphs a. b. and c. below:

a. Federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with Internal Revenue Service ("IRS") tax loss carryback provisions.

b. The amount of adjusted gross DTAs, after the application of paragraph a. above, expected to be realized within the applicable period and that is no greater than the applicable percentage as determined using the applicable Realization Threshold Limitation Table. The applicable period refers to the number of years in which the DTA will reverse in the Company's tax return and the applicable percentage refers to the percentage of the Company's statutory capital and surplus as required to be shown on the statutory balance sheet adjusted to exclude any net DTAs, electronic data processing equipment and operating system software and any net positive goodwill ("Stat Cap ExDTA").

   The Realization Threshold Limitation Tables allow DTAs to be admitted based upon either realization within three years and 15% of Stat Cap ExDTA, one year and 10% of Stat Cap ExDTA, or no DTA admitted pursuant to this paragraph b. In general, the Realization Threshold Limitation Tables allow the Company to admit more DTAs if total DTAs as reported by the Company are a smaller percentage of statutory capital and surplus.

c. The amount of gross DTAs, after the application of paragraphs a. and b. above that can be offset against existing gross DTLs. In applying this offset, the Company considers the character (i.e. ordinary versus capital) of the DTAs and DTLs such that offsetting would be permitted in the tax return under existing enacted federal income tax laws and regulations and the reversal patterns of temporary differences.

DTAs for the year ended December 31, 2011 were recalculated pursuant to SSAP No. 101. If recalculation resulted in an adjustment to the December 31, 2011 admitted DTA balance, a "cumulative effect of changes in accounting principle" was recorded in 2012 as a separate component of surplus ("Cumulative effect of changes in accounting principles").

Changes in DTAs and DTLs are recognized as a separate component of gains and losses in surplus ("Change in net deferred income tax") except to the extent allocated to changes in unrealized gains and losses. Changes in DTAs and DTLs allocated to unrealized gains and losses are netted against the related changes in unrealized gains and losses and are reported as "Change in net unrealized capital gains (losses)", also a separate component of gains and losses in surplus.

The Company is subject to state income taxes in various states. State income tax expense is recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. For the years ended December 31, 2014 and 2013, the Company incurred state income tax expenses of $574,046 and $1,081,000, respectively. The Company had no state income tax payable at December 31, 2014. The Company's state income tax payable of $548,000 at December 31, 2013 was included in general expenses due or accrued in the Statutory Statements of Liabilities, Capital and Surplus. The Company's state income tax receivable of $616,824 at December 31, 2014 was in included as an aggregate write-in in the Statutory Statement of Assets. The Company had no state income tax receivable at December 31, 2013.

The Company is subject to premium taxes in various states. These tax expenses are recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. The expenses for these taxes were $2,354,937 and $1,718,000 for the years ended December 31, 2014 and 2013, respectively. The Company's premium tax payable of $1,582,438 and $1,636,000 at December 31, 2014 and 2013, respectively, are included in general expenses due and accrued in the Statutory Statements of Liabilities, Capital and Surplus. The Company had no prepaid premium taxes at December 31, 2014 and 2013, respectively, which were included as a write-in in the Statutory Statements of Assets.

(21) Reinsurance

In the normal course of business, the Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results and to help balance its risks and capital by reinsuring certain levels of risk with other insurance enterprises. Reinsurance premiums and reserves related to reinsured business are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums ceded for medical losses and the related unpaid reserves have been reported as reductions of these items. The reinsurance agreements are more fully discussed in Notes 10 and 23.

2. Accounting changes and corrections of errors

The Company did not have any corrections of errors in the years ended December 31, 2014 and 2013.

3. Business combinations and goodwill

A. Statutory Purchased Method
NONE

B. Statutory Merger Method
NONE

C. Assumption Reinsurance
NONE

D. Impairment Losses
NONE

4. Discontinued operations

The Company did not have any discontinued operations in the years ending December 31, 2014 and 2013.

5. Investments

A. The Company did not have any mortgage loans, including Mezzanine Real Estate Loans, at December 31, 2014 or 2013.

B. The Company did not have any debt restructuring in the years ending December 31, 2014 and 2013.

C. The Company did not have any reverse mortgages at December 31, 2014 or 2013.

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from industry market sources.

(2) The Company had no OTTI losses during 2014 on loan-backed and structured securities in which the Company had the (1) intent to sell, (2) did not have the intent and ability to retain for a period of time sufficient to recover the amortized cost basis or (3) present value of cash flows expected to be collected is less than the amortized cost basis of the securities in accordance with SSAP No. 43R, *Loan-Backed and Structured Securities* ("SSAP No. 43R").

(3) The Company had no recognized OTTI on loan-backed and structured securities currently held, in which the present value of cash flows expected to be collected is less than the amortized cost basis, at December 31, 2014.

(4) The Company's unrealized loss position on loan-backed and structured securities held by the Company at December 31, 2014 is as follows (in thousands):

a. The aggregate amount of unrealized losses:			
	1.	Less than 12 Months	$..................................(19,758)
	2.	12 Months or Longer	$....................................(5,532)
b. The aggregate related fair value of securities with unrealized losses:			
	1.	Less than 12 Months	$...............................3,182,715
	2.	12 Months or Longer	$..................................872,550

(5) The Company has reviewed the loaned-backed and structured securities in accordance with SSAP No. 43R in the table above and has concluded that these are performing assets generating investment income to support the needs of the business. Furthermore, the Company has no intention to sell the securities at December 31, 2014 before their cost can be recovered and does have the intent and ability to retain the securities for the time sufficient to recover the amortized cost basis; therefore, no OTTI write-down to fair value was determined to have occurred on these securities.

E. Repurchase Agreements and/or Securities Lending Transactions

(1) The Company did not have any repurchase agreements at December 31, 2014.

The Company's policy for requiring collateral or other security for securities lending transactions as required in SAP No. 103 is discussed in Note 1. At December 31, 2014, the fair value of the collateral was $2,486,790.

(2) The Company did not pledge any of its assets as collateral, which are classified as securities pledged to creditors as of December 31, 2014.

(3) Neither the Company nor its agent has accepted collateral that is permitted by contract or custom to sell or repledge as of December 31, 2014.

(4) The Company did not have securities lending transactions administered by an affiliated agent which is "one line" reported at December 31, 2014

(5) Collateral Reinvestment

a. The amortized cost and fair value of the Company's securities lending collateral reinvestment at December 31, 2014 is as follows:

1.	Repurchase Agreement		
(a)	Open	$	$
(b)	30 Days or Less		
(c)	31 to 60 Days		
(d)	61 to 90 Days		
(e)	91 to 120 Days		
(f)	121 to 180 Days		
(g)	181 to 365 Days		
(h)	1 to 2 Years		
(i)	2 to 3 Years		
(j)	Greater Than 3 Years		
(k)	Sub-Total	$ 0	$ 0
(l)	Securities Received		
(m)	Total Collateral Reinvested	$ 0	$ 0
2.	Securities Lending		
(a)	Open	$	$
(b)	30 Days or Less	1,604,503	1,604,511
(c)	31 to 60 Days	626,630	626,615
(d)	61 to 90 Days	90,183	90,188
(e)	91 to 120 Days	0	
(f)	121 to 180 Days		
(g)	181 to 365 Days	165,474	165,459
(h)	1 to 2 Years		
(i)	2 to 3 Years		
(j)	Greater Than 3 Years		
(k)	Sub-Total	$ 2,486,790	$ 2,486,773
(l)	Securities Received		
(m)	Total Collateral Reinvested	$ 2,486,790	$ 2,486,773
3.	Dollar Repurchase Agreement		
(a)	Open	$	$
(b)	30 Days or Less		
(c)	31 to 60 Days		
(d)	61 to 90 Days		
(e)	91 to 120 Days		
(f)	121 to 180 Days		
(g)	181 to 365 Days		
(h)	1 to 2 Years		
(i)	2 to 3 Years		
(j)	Greater Than 3 Years		
(k)	Sub-Total	$ 0	$ 0
(l)	Securities Received		
(m)	Total Collateral Reinvested	$ 0	$ 0

b. There are no mismatches between the maturity dates of the liability (collateral to be returned) with the invested asset.

(6) The Company has not accepted collateral that is not permitted by contract or custom to sell or re-pledge as of December 31, 2014.

(7) The Company did not have any collateral for transactions that extend beyond one year from the reporting date.

F. The Company did not have any real estate at December 31, 2014 or 2013.

G. The Company did not have any low-income housing tax credits at December 31, 2014 or 2013

H. Restricted Assets

(1) Restricted assets (including pledged) at December 31, 2014 (in thousands):

Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	$	$ 0	$ 0	$	0.0 %	0.0 %
b. Collateral held under security lending agreements	2,486,790	0	2,486,790	2,486,790	1.0	1.1
c. Subject to repurchase agreements		0	0		0.0	0.0
d. Subject to reverse repurchase agreements		0	0		0.0	0.0
e. Subject to dollar repurchase agreements		0	0		0.0	0.0
f. Subject to dollar reverse repurchase agreements		0	0		0.0	0.0
g. Placed under option contracts		0	0		0.0	0.0
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock			0		0.0	0.0
i. FHLB capital stock			0		0.0	0.0
j. On deposit with states	1,819,074	1,776,342	42,732	1,819,074	0.7	0.8
k. On deposit with other regulatory bodies		0	0		0.0	0.0
l. Pledged as collateral to FHLB (including assets backing funding agreements)			0		0.0	0.0
m. Pledged as collateral not captured in other categories		0	0		0.0	0.0
n. Other restricted assets		0	0		0.0	0.0
o. Total Restricted Assets	$ 4,305,864	$ 1,776,342	$ 2,529,522	$ 4,305,864	%	%

(2) The Company did not have any assets pledged as collateral not captured in other categories at December 31, 2014.

(3) The Company did not have any other restricted assets at December 31, 2014.

I. The Company did not have any working capital finance investments at December 31, 2014.

J. Offsetting and netting of assets and liabilities **-**

The Company did not have any offsetting and netting of financial assets or liabilities as of December 31, 2014.

K. The Company did not have any structured notes at December 31, 2014.

6. Joint ventures, partnerships, and limited liability companies

A. The Company did not have any joint ventures, partnerships, or limited liability companies that exceeded 10% of its admitted assets at December 31, 2014 or 2013.

B. The Company does not have any impaired investments in joint ventures, partnerships, or limited liability companies at December 31, 2014 or 2013.

7. Investment income

A. There was no investment income due and accrued excluded from surplus at December 31, 2014 or 2013, except in bonds where collection of interest was uncertain.

B. NONE

8. Derivative instruments

The Company did not have any derivative instruments at December 31, 2014 or 2013.

9. Income taxes

A.

1.

		12/31/2014 (1) Ordinary	12/31/2014 (2) Capital	12/31/2014 (3) (Col 1+2) Total
(a)	Gross Deferred Tax Assets	$ 22,071,866	$ 138,131	$ 22,209,997
(b)	Statutory Valuation Allowance Adjustments	$ 2,299,622	$	$ 2,299,622
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	$ 19,772,244	$ 138,131	$ 19,910,375
(d)	Deferred Tax Assets Nonadmitted	$ 13,702,713	$ 85,582	$ 13,788,295
(e)	Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$ 6,069,531	$ 52,549	$ 6,122,080
(f)	Deferred Tax Liabilities	$ 285	$ 42,123	$ 42,408
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ 6,069,246	$ 10,426	$ 6,079,672

		12/31/2013 (4) Ordinary	12/31/2013 (5) Capital	12/31/2013 (6) (Col 4+5) Total
(a)	Gross Deferred Tax Assets	$ 24,115,846	$ 60,149	$ 24,175,995
(b)	Statutory Valuation Allowance Adjustments	$ 2,299,622	$ 0	$ 2,299,622
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	$ 21,816,224	$ 60,149	$ 21,876,373
(d)	Deferred Tax Assets Nonadmitted	$ 13,176,534	$ 26,729	$ 13,203,263
(e)	Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$ 8,639,690	$ 33,420	$ 8,673,110
(f)	Deferred Tax Liabilities	$ 285	$ 21,991	$ 22,276
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ 8,639,405	$ 11,429	$ 8,650,834

Change		
(7)	(8)	(9)

		(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a)	Gross Deferred Tax Assets	$ (2,043,980)	$ 77,982	$ (1,965,998)
(b)	Statutory Valuation Allowance Adjustments	$ 0	$ 0	$ 0
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	$ (2,043,980)	$ 77,982	$ (1,965,998)
(d)	Deferred Tax Assets Nonadmitted	$ 526,179	$ 58,853	$ 585,032
(e)	Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$ (2,570,159)	$ 19,129	$ (2,551,030)
(f)	Deferred Tax Liabilities	$ 0	$ 20,132	$ 20,132
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ (2,570,159)	$ (1,003)	$ (2,571,162)

2.

Admission Calculation Components SSAP No. 101

		12/31/2014		
		(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$ 4,790,768	$ 10,426	$ 4,801,194
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	$ 1,278,478	$	$ 1,278,478
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$ 1,278,478	$	$ 1,278,478
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	$ 15,492,339
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	$ 285	$ 42,123	$ 42,408
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ 6,069,531	$ 52,549	$ 6,122,080

		12/31/2013		
		(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$ 5,372,034	$ 11,429	$ 5,383,463
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	$ 3,267,371	$ 0	$ 3,267,371
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$ 3,267,371	$ 0	$ 3,267,371
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	$ 16,028,491
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	$ 285	$ 21,991	$ 22,276
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ 8,639,690	$ 33,420	$ 8,673,110

		Change		
		(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$ (581,266)	$ (1,003)	$ (582,269)
(b)	Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	$ (1,988,893)	$ 0	$ (1,988,893)
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$ (1,988,893)	$ 0	$ (1,988,893)
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	$ (536,152)
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	$ 0	$ 20,132	$ 20,132
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ (2,570,159)	$ 19,129	$ (2,551,030)

3.

		2014	2013
(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	533.000	500.000
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	$ 103,282,263.000	$ 106,856,605.000

4.

Impact of Tax Planning Strategies

(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.

		12/31/2014	
		(1) Ordinary	(2) Capital
(a)	1. Adjusted Gross DTAs Amount From Note 9A1(c)	19,772,244	138,131
	2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.0	1.0
	3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	6,069,531	52,549
	4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.0	1.0

		12/31/2013	
		(3) Ordinary	(4) Capital
(a)	1. Adjusted Gross DTAs Amount From Note 9A1(c)	21,816,224	60,149
	2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.0	0.0
	3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	8,639,690	33,420
	4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.0	0.0

		Change	
		(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
(a)	1. Adjusted Gross DTAs Amount From Note 9A1(c)	(2,043,980)	77,982
	2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.0	1.0
	3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	(2,570,159)	19,129
	4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.0	1.0

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes.................. .... No ....X.............

B. There are no DTLs that were not recognized at December 31, 2014 or 2013.

C. Current income taxes incurred consist of the following major components:

			(1) 12/31/2014	(2) 12/31/2013	(3) (Col 1-2) Change
1.		Current Income Tax			
	(a)	Federal	$ 9,912,662	$ 9,053,516	$ 859,146
	(b)	Foreign	$	$ 0	$ 0
	(c)	Subtotal	$ 9,912,662	$ 9,053,516	$ 859,146
	(d)	Federal income tax on net capital gains	$ 192,222	$ 666,633	$ (474,411)
	(e)	Utilization of capital loss carry-forwards	$	$ 0	$ 0
	(f)	Other	$	$ 0	$ 0
	(g)	Federal and foreign income taxes incurred	$ 10,104,884	$ 9,720,149	$ 384,735
2.		Deferred Tax Assets:			
	(a)	Ordinary			
		(1) Discounting of unpaid losses	$ 1,469,441	$ 1,702,182	$ (232,741)
		(2) Unearned premium reserve	$ 386,952	$ 551,148	$ (164,196)
		(3) Policyholder reserves	$	$ 0	$ 0
		(4) Investments	$	$ 0	$ 0
		(5) Deferred acquisition costs	$	$ 0	$ 0
		(6) Policyholder dividends accrual	$	$ 0	$ 0
		(7) Fixed assets	$ 1,331,113	$ 908,282	$ 422,831
		(8) Compensation and benefits accrual	$	$ 487,422	$ (487,422)
		(9) Pension accrual	$	$ 0	$ 0
		(10) Receivables - nonadmitted	$ 275,686	$ 817,243	$ (541,557)
		(11) Net operating loss carry-forward	$ 5,007,529	$ 5,621,968	$ (614,439)
		(12) Tax credit carry-forward	$	$ 0	$ 0
		(13) Other (including items <5% of total ordinary tax assets)	$ 13,601,145	$ 14,027,601	$ (426,456)
		(99) Subtotal	$ 22,071,866	$ 24,115,846	$ (2,043,980)
	(b)	Statutory valuation allowance adjustment	$ 2,299,622	$ 2,299,622	$ 0
	(c)	Nonadmitted	$ 13,702,713	$ 13,176,534	$ 526,179
	(d)	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ 6,069,531	$ 8,639,690	$ (2,570,159)
	(e)	Capital:			
		(1) Investments	$ 112,699	$ 60,149	$ 52,550
		(2) Net capital loss carry-forward	$ 25,432	$ (26,729)	$ 52,161
		(3) Real estate	$	$ 0	$ 0
		(4) Other (including items <5% of total capital tax assets)	$	$ 0	$ 0
		(99) Subtotal	$ 138,131	$ 33,420	$ 104,711
	(f)	Statutory valuation allowance adjustment	$	$ 0	$ 0
	(g)	Nonadmitted	$ 85,582	$ 0	$ 85,582
	(h)	Admitted capital deferred tax assets (2e99 - 2f - 2g)	$ 52,549	$ 33,420	$ 19,129
	(i)	Admitted deferred tax assets (2d + 2h)	$ 6,122,080	$ 8,673,110	$ (2,551,030)
3.		Deferred Tax Liabilities:			
	(a)	Ordinary			
		(1) Investments	$	$ 0	$ 0
		(2) Fixed assets	$	$ 0	$ 0
		(3) Deferred and uncollected premium	$	$ 0	$ 0
		(4) Policyholder reserves	$	$ 0	$ 0
		(5) Other (including items<5% of total ordinary tax liabilities)	$ 285	$ 285	$ 0
		(99) Subtotal	$ 285	$ 285	$ 0
	(b)	Capital:			
		(1) Investments	$ 42,123	$ 21,991	$ 20,132
		(2) Real estate	$	$ 0	$ 0
		(3) Other (including items <5% of total capital tax liabilities)	$	$ 0	$ 0
		(99) Subtotal	$ 42,123	$ 21,991	$ 20,132
	(c)	Deferred tax liabilities (3a99 + 3b99)	$ 42,408	$ 22,276	$ 20,132
4.		Net deferred tax assets/liabilities (2i - 3c)	$ 6,079,672	$ 8,650,834	$ (2,571,162)

The change in net deferred income taxes is comprised of the following:				
		12/31/2014	**12/31/2013**	**Change**
	Total deferred tax assets	19,910,375	21,876,373	(1,965,998)
	Total deferred tax liabilities	(42,408)	(22,276)	(20,132)
	Net deferred tax asset (liability)	19,867,967	21,854,097	(1,986,130)
	Tax effect of unrealized gains/(losses)			(78,288)
	Change in net deferred income tax			(2,064,418)

The valuation allowance adjustment to gross deferred tax assets as of December 31, 2014 and December 31, 2013 was $2,299,622 and $2,299,622, respectively.

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	12/31/2014	Effective Tax Rate	12/31/2013	Effective Tax Rate
Provision computed at statutory rate	12,103,557	35.0%	15,268,770	35.0%
Permanent Items	(480,319)	-1.4%	(3,366,523)	-7.7%
Change in nonadmitted assets	541,556	1.6%	149,210	0.3%
Change in Statutory Valuation Allowance	-	0.0%	2,299,622	5.3%
STAT to GAAP Adjustment	-	0.0%	(7,913,583)	-18.1%
Prior period adjustment to deferred tax asset	-	0.0%	(572,210)	-1.3%
Prior Year Return to Provision Adjustment & Other	4,508	0.1%	72,150	0.2%
Total	12,169,302	35.3%	5,937,436	13.7%
Federal and foreign income taxes incurred	10,104,884	29.2%	9,720,149	22.3%
Change in net deferred income taxes	2,064,418	6.0%	(3,782,713)	-8.7%
Total statutory income taxes	12,169,302	35.2%	5,937,436	13.6%

E.

1. At December 31, 2014, the Company had no net capital loss and $14,307,225 net operating loss carryforwards for tax purposes.

2. The amount of federal income taxes incurred that is available for recoupment in the event of future net losses is $8,329,040 and $7,872670 for the years ended December 31, 2014 and 2013, respectively.

3. The Company did not report any deposits as admitted assets under Internal Revenue Code Section 6603 at December 31, 2014 and 2013.

F.

1. At December 31, 2014, the Company's Federal Income Tax Return was consolidated with the following entities:

Aetna Inc. - Parent Company
@ Credentials Inc.
Active Health Management, Inc.
Adminco, Inc.
Administrative Enterprises, Inc.
AE Fourteen, Incorporated
AET Health Care Plan, Inc.
Aetna ACO Holdings, Inc.
Aetna Better Health Inc. (Connecticut)
Aetna Better Health Inc. (Florida)
Aetna Better Health Inc. (Georgia)
Aetna Better Health Inc. (Illinois)
Aetna Better Health Inc. (New Jersey)
Aetna Better Health Inc. (New York)
Aetna Better Health Inc. (Ohio)
Aetna Better Health Inc. (Pennsylvania)
Aetna Better Health Inc. (Tennessee) (f/k/a HealthCare USA of Tennessee, Inc.)
Aetna Better Health, Inc. (Louisiana)
Aetna Dental Inc. (New Jersey)
Aetna Dental Inc. (Texas)
Aetna Dental of California Inc.
Aetna Health and Life Insurance Company
Aetna Health Finance, Inc.
Aetna Health Inc. (Connecticut)
Aetna Health Inc. (Florida)
Aetna Health Inc. (Georgia)
Aetna Health Inc. (Maine)
Aetna Health Inc. (Michigan)
Aetna Health Inc. (New Jersey)
Aetna Health Inc. (New York)
Aetna Health Inc. (Pennsylvania)

Aetna Health Inc. (Texas)
Aetna Health Insurance Company
Aetna Health Insurance Company of New York
Aetna Health of California Inc.
Aetna Insurance Company of Connecticut
Aetna Integrated Informatics, Inc.
Aetna International Inc.

Coventry Health Care of Illinois, Inc.
Coventry Health Care of Iowa, Inc.
Coventry Health Care of Kansas, Inc.
Coventry Health Care of Louisiana, Inc.
Coventry Health Care of Missouri, Inc.
Coventry Health Care of Nebraska, Inc.
Coventry Health Care of Pennsylvania, Inc.
Coventry Health Care of Texas, Inc.
Coventry Health Care of the Carolinas, Inc.
Coventry Health Care of Virginia, Inc.
Coventry Health Care of West Virginia, Inc.
Coventry Health Care Workers' Compensation, Inc.
Coventry Health Care, Inc.
Coventry Health Plan of Florida, Inc.
Coventry HealthCare Management Corporation
Coventry Management Services, Inc.
Coventry Prescription Management Services, Inc.
Coventry Rehabilitation Services, Inc. (f/k/a First Health Strategies, Inc.)
Coventry Summit Health Plan, Inc.
Coventry Transplant Network, Inc.
CoventryCares of Michigan, Inc.
Delaware Physicians Care, Incorporated
First Health Group Corp.
First Health Life and Health Insurance Company
First Script Network Services, Inc.
Florida Health Plan Administrators, LLC
FOCUS Healthcare Management, Inc.
Group Dental Service of Maryland, Inc.
Group Dental Service, Inc.
Health and Human Resource Center, Inc.
Health Data & Management Solutions, Inc.

Health Re, Incorporated
HealthAmerica Pennsylvania, Inc.
HealthAssurance Financial Services, Inc.
HealthAssurance Pennsylvania, Inc.
HealthCare USA of Missouri, LLC
Jaguar Merger Subsidiary, Inc.
Luettgens Limited

Aetna Ireland Inc.
Aetna Life and Casualty (Bermuda) Ltd.
Aetna Life Assignment Company
Aetna Life Insurance Company
Aetna Risk Indemnity Company Limited
Aetna Student Health Agency Inc.
AHP Holdings, Inc.
Allviant Corporation
Altius Health Plans, Inc.
American Health Holding, Inc.
AUSHC Holdings, Inc.
Broadspire National Services, Inc.
Cambridge Life Insurance Company
Carefree Insurance Services, Inc.
CHC Casualty Risk Retention Group, Inc.
Chickering Claims Administrators, Inc.
Claims Administration Corporation
Cofinity, Inc.
Coventry Consumer Advantage, Inc.
Coventry Financial Management Services, Inc.
Coventry Health and Life Insurance Company
Coventry Health Care National Accounts, Inc.
Coventry Health Care National Network, Inc.
Coventry Health Care of Delaware, Inc.
Coventry Health Care of Florida, Inc.
Coventry Health Care of Georgia, Inc.
Managed Care Coordinators, Inc.
Medicity Inc.
Mental Health Associates, Inc.
Mental Health Network of New York IPA, Inc.
Meritain Health, Inc.
MetraComp, Inc.
MHNet Life and Health Insurance Company
MHNet of Florida, Inc.
Missouri Care, Incorporated
Niagara Re, Inc.
PayFlex Holdings, Inc.
PayFlex Systems USA, Inc.
Performax, Inc.
Precision Benefit Services, Inc.
Prime Net, Inc.
Prodigy Health Group, Inc.
Professional Risk Management, Inc.
Resources for Living, LLC
Schaller Anderson Medical Administrators, Incorporated
Strategic Resource Company
The Vasquez Group Inc.
U.S. Healthcare Properties, Inc.
WellPath of South Carolina, Inc.
Work and Family Benefits, Inc.

2. As explained in Note 1, the Company participates in a tax sharing agreement with its parent and affiliates.

G. The Company does not have any federal or foreign income tax loss contingencies.

10. Information concerning Parent, subsidiaries, affiliates, and other related parties

A., B. and C.

The Company paid $30,000,000 as an extraordinary dividend on September 2, 2014 to its parent. The Company did not receive any capital contributions in 2014.

D. Amounts due to and due from affiliates shown in the accompanying Statutory Statements of Assets, Liabilities, Capital and Surplus include the Company's net receipts and disbursements processed by affiliates and transactions related to its administrative services agreement with Aetna Health Management, LLC ("AHM"), indirectly a wholly-owned subsidiary of Aetna.

At December 31, 2014, the Company had the following amounts due to and due from affiliates:

Due from Related Parties:		
	Coventry Health Care of Missouri	588,885
	Coventry Health Care, Inc	4,478,577
	Claims Administration Corp.	672
	Total	5,068,134

Due to Related Parties:		
	Aetna Health Management	7,062,159
	Group Dental Services, Inc	17,933
	Coventry Health Care and Life	14,119,360
	Coventry Health Care of Kansas- H Contra	398
	Total	21,199,850

The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

E. At December 31, 2014, the Company has a guarantor agreement with Aetna. The agreement provides that in the event of the Company's insolvency, Aetna will pay all expenses and claims incurred by the Company during insolvency pursuant to the obligation with employer groups and subscribers until the end of the subscription contract period for which premiums have been received.

F. As of and for the years ended December 31, 2014 and 2013, the Company had the following significant transactions with affiliates:

The Company and AHM are parties to an administrative services agreement, under which AHM provides certain administrative services, including accounting and processing of premiums and claims. Under this agreement, the Company remits a percentage of its earned commercial, Medicaid and Medicare premium revenue, as applicable, to AHM as a fee, subject to an annual true-up mechanism as defined in the agreement. This agreement began on January 1, 2014. Under the agreement, this true-up is due to be settled with the affiliate by April 15th of the following contract year (which is January 1 to December 31 annually). The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter. For these services, the Company was charged the following:

(in thousands)	2014	2013
Administrative service fee	$77,060,325	$0
Current year estimated accrued true-up	-	-
Total administrative service fee	$77,060,325	$0

The amounts reported on the Underwriting and Investment Exhibit, Part 3 represent the expenses incurred under the terms of the administrative agreement, allocated to the Company in accordance SSAP No. 70, *Allocation of Expenses* (“SSAP No. 70”). SSAP No. 70 states “shared expenses, including expenses under the terms of a management contract, shall be apportioned to the entities incurring the expense as if the expense had been paid solely by the incurring entity. The apportionment shall be completed based upon specific identification to the entity incurring the expense. Where specific identification is not feasible, apportionment shall be based upon pertinent factors or ratios.” The Company allocates these expenses based upon a percentage calculated using actual general and administrative expenses incurred by AHM.

As explained in Note 1, the Company participates in a tax sharing agreement with Aetna and Aetna's other subsidiaries. All federal income tax receivables/payables are due from/due to Aetna.

G. All outstanding shares of the Company are owned by Aetna Health Holdings, LLC, whose ultimate parent is Aetna.

H. At December 31, 2014, the Company did not hold any investments in any affiliate and did not own shares of any upstream intermediate of Aetna.

I. At December 31, 2014, the Company did not hold any investments in any subsidiary, controlled or affiliated (“SCA”) entity.

J. At December 31, 2014, the Company did not hold any investments in any impaired SCA entity.

K. At December 31, 2014, the Company did not hold any investments in any foreign insurance subsidiaries.

L. 1. and 2.

At December 31, 2014, the Company did not hold any investments in any downstream noninsurance holding company.

11. Debt

A. The Company did not have any items related to debt, including capital notes at December 31, 2014.

B. The Company did not have any Federal Home Loan Bank agreements at December 31, 2014.

12. Retirement plans, deferred compensation, postemployment benefits and compensated absences and other postretirement benefit plans

The Company did not have a retirement plan, deferred compensation plan, or other postretirement benefit plan at December 31, 2014.

13. Capital and surplus, shareholders’ dividend restrictions and quasi-reorganizations

(1) The Company has 1,000 shares of common stock with a par value of $5 per share authorized, issued and outstanding at December 31, 2014 and 2013.

(2) The Company had no preferred stock shares issued and outstanding at December 31, 2014 and 2013.

(3) Dividend restrictions

Dividends on the Company's common capital stock are paid as declared by its Board of Directors, from earned surplus of the Company, not including surplus arising from the sale of stock. Generally, dividends may be paid on the Company's common capital stock without obtaining regulatory approval at an amount up to the greater of: a) the prior year net gain from operations, or b) ten percent of the prior year end capital and surplus. In addition, the minimum Risk Based Capital requirements of the NAIC and, if applicable, the Kansas Department of Insurance must be maintained.

(4) The Company paid $30,000,000 as an extraordinary dividend on September 2, 2014 to its parent.

(5) Within the limitations of 3) above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to the stockholder.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus was being held at December 31, 2014 or 2013.

(7) Not applicable to the Company.

(8) The Company did not hold any stock for any special purposes at December 31, 2014 or 2013.

(9) Changes in the balances of special surplus funds from the prior year are due to the accrual of estimated 2015 ACA health insurer fees reclassified from unassigned funds (surplus) to aggregate write-ins for special surplus funds as discussed more fully in Note 1.C and Note 22.

(10) At December 31, 2014, there was $(223,681) of unassigned funds (surplus) that was represented or reduced by unrealized gains and (losses).

(11) The Company did not have any special surplus funds or surplus notes at December 31, 2014 or 2013.

(12) The Company did not participate in any quasi-reorganizations during the statement year.

(13) The Company did not participate in any quasi-reorganizations in the past 10 years.

14. Liabilities, contingencies and assessments

A. The Company did not have any contingent commitments at December 31, 2014 or 2013.

B. Assessments

Guaranty fund assessments

Under guaranty fund laws existing in all states, insurers doing business in those states can be assessed (up to prescribed limits) for certain obligations of insolvent insurance companies to policyholders and claimants. The health insurance guaranty associations in which Aetna and certain of its affiliates, including the Company (collectively, "we", "our" or "us") participate that operate under these laws respond to insolvencies of long-term care insurers as well as health insurers. Our assessments generally are based on a formula relating to our premiums in the state compared to the premiums of other insurers. Certain states allow recoverability of assessments as offsets to premium taxes. Some states have similar laws relating to HMOs. While we have historically recovered more than half of guaranty fund assessments through statutorily permitted premium tax offsets, significant increases in assessments could lead to legislative and/or regulatory actions that may limit future offsets.

C. The Company did not have any gain contingencies at December 31, 2014 or 2013.

D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2014 or 2013.

E. The Company did not have any joint and several liability arrangements at December 31, 2014 or 2013.

F. Various liabilities arise in the normal course of the Company's business and have been recorded. In the opinion of management, any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position. The Company, to the best of its knowledge, has no assets that it considers impaired that are not already recorded in the Company's books.

15. Leases

The Company leases its office facilities and certain office equipment under non-cancelable operating leases expiring in various years through 2019. Rent expense for the years ended December 31, 2014 and 2013 was $161,657 and $648,974, respectively.

A. Lessee Operating Lease

(2)

a. At January 1, 2015, the minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2015	$ 2,306,716
2.	2016	$ 1,908,517
3.	2017	$ 1,519,022
4.	2018	$ 1,536,432
5.	2019	$ 1,558,195
6.	Total	$ 15,327,165

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk

The Company did not have any financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk at December 31, 2014 or 2013.

17. Sale, transfer and servicing of financial assets and extinguishments of liabilities

A. Transfers of receivables reported as sales

(1) The Company did not have any transfers of receivables as sales for the years ending December 31, 2014 and 2013.

B. Transfer and servicing of financial assets

(1) The Company's policy for requiring collateral or other security for security lending transactions as required in SAP No. 103 is discussed in Note 1. At December 31, 2014 and 2013, the fair value of the collateral was $2,486,790 and $0, respectively.

(2) and (3)

The Company did not have any servicing assets or liabilities at December 31, 2014 or 2013.

(4) The Company did not have any securitized financial assets at December 31, 2014 or 2013.

(5) The Company did not have any transfers of financial assets at December 31, 2014 or 2013.

(6) The Company did not have any transfers of receivables with recourse at December 31, 2014 or 2013.

(7) The Company did not have any repurchase or reverse repurchase agreements at December 31, 2014 or 2013.

C. Wash sales

(1) In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio.

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the for the year ended December 31, 2014 and reacquired within 30 days of the sale date are:

The Company did not have any wash sales at December 31, 2014 or 2013.

18. Gain or loss to the HMO from uninsured plans and the uninsured portion of partially insured plans

A.

A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2014:

		ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a.	Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 5,693,565	$	$ 5,693,565
b.	Total net other income or expenses (including interest paid to or received from plans)	$	$	$ 0
c.	Net gain or (loss) from operations	$ 5,693,565	$ 0	$ 5,693,565
d.	Total claim payment volume	$	$	$ 0

B. The Company did not serve as an Administrative Services Contract plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2014.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

1. Revenue from the Company’s Medicare (or similarly structured cost based reimbursement contract) contract for the year 2014, consisted of $300,978,478 for medical and hospital related services and $41,862,124 for administrative expenses.
2. As of December 31 2014, the Company has no recorded receivables from payors whose account balances are greater than 10% of the Company’s receivables from uninsured accident and health plans.

3. In connection with the Company’s Medicare (or similarly structured cost based reimbursement contract) contract, the Company has recorded allowance and reserves for adjustment of recorded revenues in the amount of $0 at December 31, 2014.
4. Centers for Medicare & Medicaid Services (“CMS”) periodically performs audits of Medicare revenue and may seek return of premium payments made to the Company if risk adjustment factors are not properly supported by medical record data. We estimate and record reserves for CMS audits based on information available at the time the estimates are made. Although we believe the Company maintains appropriate reserves for its exposure to the CMS audits, actual results could differ materially from those estimates

19. Direct premium written/produced by managing general agents/third party administrators

The Company did not have any material direct premiums written through/produced by managing general agents or third party administrators for the years ended December 31, 2014 and 2013.

20. Fair value measurements

A. and B.

The Company had no material assets or liabilities measured and reported at fair value at December 31, 2014 or 2013.

C. Certain of the Company's financial instruments are measured at fair value in our balance sheets. The fair values of these instruments are based on valuations that include inputs that can be classified within one of three levels of a hierarchy established by U.S. generally accepted accounting principles. The following are the levels of the hierarchy and a brief description of the type of valuation information (“inputs”) that qualifies a financial asset or liability for each level:

- **Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets.
- **Level 2** – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets.
- **Level 3** – Developed from unobservable data, reflecting our own assumptions.

Financial assets and liabilities are classified based upon the lowest level of input that is significant to the valuation. When quoted prices in active markets for identical assets and liabilities are available, we use these quoted market prices to determine the fair value of financial assets and liabilities and classify these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, we estimate fair value using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, we determine fair value using broker quotes or an internal analysis of each investment’s financial performance and cash flow projections. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be observable.

The carrying values and estimated fair values of the Company's financial instruments at December 31, 2014 and 2013 were as follows:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds, Short Term, and Cash Equivalent	$ 144,440,066	$ 141,812,192	$ 5,153,634	$ 139,286,432	$	$ ....

The valuation methods and assumptions used by the Company in estimating the fair value of debt securities are discussed in Note 1.

There were no material realized and unrealized capital gains, purchases, sales, settlements, or transfers into or out of the Company's Level 3 financial assets during 2014 or 2013.

In evaluating the Company's management of interest rate and liquidity risk and currency exposures, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

D. The Company did not have any financial instruments where it was not practicable to estimate the fair value.

21. Other items

A. Extraordinary items

The Company did not have any extraordinary items for the years ended December 31, 2014 and 2013.

B. Troubled debt restructuring: debtors

The Company did not have any troubled debt restructuring in the years ended December 31, 2014 and 2013.

C. Other disclosures and unusual items

1. The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, "Health Care Reform"), enacted in March 2010, has changed and will continue to make broad-based changes to the U.S. health care system which could significantly affect the U.S. economy and which the Company expects will continue to significantly impact the Company's business operations and financial results, including the Company's pricing, medical benefit ratios and the geographies in which the Company's products are available. Health Care Reform presents the Company with new business opportunities, but also with new financial and regulatory challenges. Since its enactment in 2010, key components of Health Care Reform have been phased in, including health insurance exchanges ("Public Exchanges), required minimum medical loss ratios ("MLRs") in commercial and Medicare products, the individual coverage mandate, guaranteed issue, rating limits in the individual and small group markets, significant new industry-wide fees, assessments and taxes, enhanced premium rate review and disclosure processes, reduced Medicare Advantage payment rates to insurers, and linking Medicare Advantage payments to a plan's Centers for Medicare & Medicaid Services ("CMS") quality performance ratings or "star ratings." The effects of these changes are reflected in the Company's financial results.

   While key components of Health Care Reform will continue to be phased in through 2018, the most significant changes occurred in 2014. The Company is dedicating and will continue to be required to dedicate material resources and incur material expenses during 2015 to implement and comply with Health Care Reform as well as state level health care reform. While the federal government has issued a number of regulations implementing Health Care Reform, certain significant parts of Health Care Reform, including aspects of Public Exchanges, Medicaid expansion, enforcement related reporting for the individual and employer mandates, reinsurance, risk corridor, risk adjustment and the implementation of Medicare Advantage and Part D minimum MLRs, require further guidance and clarification at the federal level and/or in the form of regulations and actions by state legislatures to implement the law. The federal government also has announced significant changes to and/or delays in effective dates of various aspects of Health Care Reform, and it is likely that further changes will be made at the federal and/or state level based on implementation experience. As a result, key aspects and impacts of Health Care Reform will not be known for several years, and given the inherent difficulty of foreseeing how individuals and businesses will respond to the choices afforded them by Health Care Reform, the Company cannot predict the full effect Health Care Reform will have on the Company. It is reasonably possible that Health Care Reform, in the aggregate, could have a material adverse effect on the Company's business operations and financial results.

   Federal budget negotiations, ongoing regulatory changes to Health Care Reform (such as the November 2013 action permitting renewal through 2014 of individual and small group insurance policies that do not comply with Health Care Reform and the March 2014 action permitting such renewal through 2017), pending efforts in the U.S. Congress to amend or restrict funding for various aspects of Health Care Reform and litigation challenging aspects of the law continue to create uncertainty about the ultimate impact of Health Care Reform. An example of this uncertainty is the litigation pending before the U.S. Supreme Court concerning whether the Internal Revenue Service may make tax credits available as a form of subsidy to individuals who purchase health insurance through Public Exchanges established by the federal government ("Federal Exchanges"). The Company will continue to enroll and insure members through the Federal Exchanges pending the resolution of this and other pending cases. If the payment of subsidies with respect to members who enroll through the Federal Exchanges ultimately is invalidated, it could result in a significant reduction in Aetna's Public Exchange membership because almost all of Aetna's Public Exchange membership is through Federal Exchanges, and most of those members benefit from a tax subsidy.

   The availability of funding for Health Care Reform's risk corridor program is a second example of this uncertainty. In May 2014, CMS published a final rule on Public Exchanges. The final rule provides that payments to health plans under the risk corridor program required by Health Care Reform will no longer be limited to the aggregate amount of the risk corridor collections received by HHS over the duration of the risk corridor program. However, it is possible that payments to health plans under the risk corridor program will require additional appropriation legislation to be passed by the U.S. Congress. Additionally, in December 2014, the Consolidated and Further Continuing Appropriations Act was enacted, which among other things, prohibits HHS's use of certain funds to pay HHS's potential obligation under Health Care Reform's risk corridor program. As a result, the Company did not record any receivable under Health Care Reform's risk corridor program at December 31, 2014.

   In addition, the federal and state governments continue to enact and seriously consider many other broad-based legislative and regulatory proposals that have impacted or could materially impact various aspects of the health care system. The Company cannot predict whether pending or future federal or state legislation or court proceedings, including future U.S. Congressional appropriations and the proceedings relating to tax credits for Federal Exchange members described above, will change various aspects of the health care system or Health Care Reform or the impact those changes will have on the Company's business operations or financial results, but the effects could be materially adverse.

   In addition, certain provisions of Health Care Reform tie Medicare Advantage plans' premiums to the achievement of favorable CMS quality performance measures ("star ratings"). In 2013 and 2014, Medicare Advantage plans with an overall star rating of three or more stars (out of five stars) are eligible for a quality bonus in their basic premium rates. Beginning in 2015, only Medicare Advantage plans with an overall star rating of four or more stars will be eligible for a quality bonus. As a result, the Company's Medicare Advantage plans' operating results in 2015 and going forward are likely to be significantly determined by their star ratings.

2. The Company’s Medicare Advantage and Standalone Prescription Drug Plan (“PDP”) products are regulated by CMS. The regulations and contractual requirements applicable to the Company and other participants in Medicare programs are complex, expensive to comply with and subject to change. For example, in the second quarter of 2014, CMS issued a final rule implementing the Health Care Reform requirements that Medicare Advantage and PDP plans report and refund to CMS overpayments that those plans receive from CMS. During 2014, CMS also issued a final rule that changes in some respects how the Company can pay pharmacies and impacts the Company’s Medicare Advantage and PDP products. The Company has invested significant resources to comply with Medicare standards, and the Company’s Medicare compliance efforts will continue to require significant resources. CMS may seek premium and other refunds, prohibit the Company from continuing to market and/or enroll members in or refuse to passively enroll members in one or more of the Company’s Medicare or Medicare-Medicaid demonstration (historically known as “dual eligible”) plans, exclude the Company from participating in one or more Medicare or dual eligible programs and/or institute other sanctions against the Company if the Company fails to comply with CMS regulations or the Company’s Medicare contractual requirements.

3. The Company contracts with the Office of Personnel Management (the “OPM”) to provide managed health care services under the Federal Employees Health Benefits (“FEHB”) program in its service areas. These contracts with the OPM and applicable government regulations establish premium rating arrangements for this program. OPM regulations require that community-rated FEHB plans meet a FEHB program-specific MLR by plan code and market. Managing to these rules is complicated by the simultaneous application of the minimum MLR standards and associated premium rebate requirements of Health Care Reform. The OPM conducts periodic audits of its contractors to, among other things, verify that the premiums established under its insured contracts and costs allocated pursuant to its cost-based contracts are in compliance with the requirements of the applicable FEHB program. The OPM may seek premium refunds or institute other sanctions against the Company if the Company fails to comply with the FEHB program requirements.

D. The Company did not have any business interruption insurance recoveries for the years ending December 31, 2014 or 2013.

E. The Company did not have any transferable and non-transferable state tax credits for the years ending December 31, 2014 or 2013.

F. The Company did not have any subprime mortgage related risk exposures at December 31, 2014 or 2013.

G. The Company did not have any retained assets at December 31, 2014 or 2013.

H. The Company did not have any joint and several liability arrangements at December 31, 2014 or 2013.

22. Events subsequent

Type I - Recognized subsequent events

Subsequent events have been considered through February 28, 2015 for the statutory statement issued on March 1, 2015.

The Company had no known reportable recognized subsequent events.

Type II – Non-recognized subsequent events

Subsequent events have been considered through February 28, 2015 for the statutory statement issued on March 1, 2015.

On January 1, 2015, the Company will be subject to an annual fee under section 9010 of the Federal Affordable Care Act ("ACA"). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2014, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2015, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2015 to be $8,600,000. This amount is reflected in special surplus. This assessment is expected to impact RBC by 8%. Reporting the ACA assessment as of December 31, 2014, would not have triggered an RBC action level.

		Current Year	Prior Year
A.	ACA fee assessment payable for the upcoming year	$ 8,600,000	$ 7,980,000
B.	ACA fee assessment paid	$ 7,846,700	$ 0
C.	Premium written subject to ACA 9010 assessment	$ 439,592,429	$ 533,621,299
D.	Total Adjusted Capital before surplus adjustment	$ 109,361,935	
E.	Authorized Control Level before surplus adjustment	$ 19,377,568	
F.	Total Adjusted Capital after surplus adjustment	$ 100,761,935	
G.	Authorized Control Level after surplus adjustment	$ 19,377,568	
H.	Would reporting the ACA assessment as of Dec. 31, 2014 have triggered an RBC action level (YES/NO)?	.... No	

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
Yes ( ) No (X)
If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes ( ) No (X)
If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than nonpayment of premium or other similar credit?
Yes ( ) No (X)

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.
$ N/A .

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?
$ N/A .

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
Yes ( ) No (X)
If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the insurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.
None .

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes ( ) No (X)
If yes, what is the amount of reinsurance credit, whether an asset or a reduction of liability, taken for such new agreements or amendments? $ N/A .

B. The Company did not have uncollectible reinsurance at December 31, 2014.

C. The Company did not have any commutation of ceded reinsurance at December 31, 2014.

D. The Company's certified reinsurer's rating has not been downgraded or its status subject to revocation at December 31, 2014.

24. Retrospectively rated contracts and contracts subject to redetermination

A. Through annual contracts with CMS, the Company offers HMO plans for Medicare-eligible individuals through the Medicare Advantage program. Members typically receive enhanced benefits over standard Medicare fee-for-service coverage, including reduced cost-sharing for preventative care, vision and other non-Medicare services. Members also typically receive coverage for certain prescription drugs, usually subject to a deductible, co-insurance and/or co-payment. The revenues ultimately received by the Company for each member are based on that member's health status and demographic characteristics, as determined via the CMS risk adjustment process, under which the Company regularly submits risk adjustment data to CMS. As such, at December 31, 2014 the Company records a receivable for future revenues that it expects to receive from CMS in the 3rd quarter of 2015, after the final reconciliation of risk adjustment data for contract year 2014 is complete. The Company estimates this receivable by taking into account risk adjustment data for contract year 2014 submitted to CMS prior to December 31, 2014, as well as its estimate of the impact of risk adjustment data for contract year 2014 that will be submitted prior to the appropriate regulatory deadline in early 2015. These amounts are recognized in 2014 as premiums under contracts subject to redetermination. In addition, the Company's Medicare Advantage contracts are subject to retrospective rating provisions under which the Company and CMS share in amounts above and below agreed-upon target medical benefit ratios.

B. These accrued retrospective premiums, if any, are recorded through premiums and are estimated based on calculations that compare the Company's expected financial results for the contract against the appropriate medical benefit ratio target. The Company had net premiums written of $175,863,139 and $156,944,710 related to its agreements with CMS for the years ending December 31, 2014 and 2013, respectively, representing 40.0% for 2014 and 29.4% for 2013 of total premium revenue. The Company had net premiums receivable of $6,387,638 related to its agreements with CMS as of December 31, 2014, representing 57.2% of total premiums receivable.

C. Contracts subject to redetermination

The Company accrues amounts payable to or receivable from the federal government related to its contracts with the OPM to provide or arrange health services under the FEHBP for federal employees, annuitants and their dependents. These contracts with the OPM and applicable government regulations establish premium rating requirements for FEHBP. At December 31, 2014 and 2013, the Company had premiums related to its contracts with the OPM of $35,357,519 and $37,484,010, respectively, representing 8.0% and 7.0% of the Company's total premiums at December 31, 2014 and 2013, respectively.

The OPM, through its Office of the Inspector General, conducts periodic audits of its contractors to, among other things, verify that the premiums charged to the OPM were established in compliance with the community rating and other requirements under FEHBP. These audits often result in findings for which the Company establishes a specific reserve. For those years under contract which have not been audited by the OPM, the Company establishes a general audit liability which is the result of a historical study of average audit payments. In addition, for all years under contract, the Company annually performs rate reconciliations which may result in amounts owed to or receivable from the OPM.

Audit findings, historical study of audit payments, and rate reconciliations have resulted in reserves of $1,690,422 and $1,148,056, which were recorded as Federal Contingency Reserves in the write-in section in the Statutory Statements of Liabilities, Capital and Surplus at December 31, 2014 and 2013, respectively.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act

The Company is required to make premium rebate payments to customers that are enrolled under certain health insurance policies if specific minimum annual medical loss ratios ("MLR") were not met in the prior year. The Company's results for full-year 2014 and 2013 included an estimate of $8,430,447 and $0, respectively, of minimum MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus. The Company paid $0 of minimum MLR rebates in 2014 for the year 2013. The Company paid $0 of minimum MLR rebates in 2013 for the year 2012.

		1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with Rebates	5 Total
Prior Reporting Year						
(1)	Medical loss ratio rebates incurred	0	0	0	0	0
(2)	Medical loss ratio rebates paid	0	0	0	0	0
(3)	Medical loss ratio rebates unpaid	0	0	0	0	0
(4)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	0
(5)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	0
(6)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	0
Current Reporting Year-to-Date						
(7)	Medical loss ratio rebates incurred	0	0	0	8,430,447	8,430,447
(8)	Medical loss ratio rebates paid	0	0	0	0	0
(9)	Medical loss ratio rebates unpaid	0	0	0	8,430,447	8,430,447
(10)	Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	0
(11)	Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	0
(12)	Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	8,430,447

E. Risk Sharing Provisions of the Affordable Care Act ("ACA")

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? Yes [X] No [ ]
The company had zero balances for the risk corridors program due a lack of sufficient data to estimate the recoverable amounts.

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

	AMOUNT
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	$ 0
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	$ 0
3. Premium adjustments payable due to ACA Risk Adjustment	$ 4,859,415

Operations (Revenue & Expense)
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment $ ....(4,859,415)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) $ 0

b. Transitional ACA Reinsurance Program
Assets
1. Amounts recoverable for claims paid due to ACA Reinsurance $ 7,467,727
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) $ 335,543
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance $ 0
Liabilities
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium $ 669,879
5. Ceded reinsurance premiums payable due to ACA Reinsurance $ 0
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance $ 0
Operations (Revenue & Expense)
7. Ceded reinsurance premiums due to ACA Reinsurance $ 521,588
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments $ 7,803,269
9. ACA Reinsurance contributions – not reported as ceded premium $ 3,497,684

c. Temporary ACA Risk Corridors Program
Assets
1. Accrued retrospective premium due to ACA Risk Corridors $ 0
Liabilities
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors $ 0
Operations (Revenue & Expense)
3. Effect of ACA Risk Corridors on net premium income (paid/received) $ 0
4. Effect of ACA Risk Corridors on change in reserves for rate credits $ 0

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
						Prior Year Accrued Less Payments (Col 1 – 3)	Prior Year Accrued Less Payments (Col 2 – 4)	To Prior Year Balance	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 – 3 + 7)	Cumulative Balances from Prior Years (Col 2 – 4 + 8)
		1	2	3	4	5	6	7	8		9	10
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a.	Permanent ACA Risk Adjustment Program											
	1. Premiums adjustments receivable	0	0	0	0	0	0	0	0	A	0	0
	2. Premium adjustments (payable)	0	0	0	0	0	0	0	0	B	0	0
	3. Subtotal ACA Permanent Risk Adjustment Program	0	0	0	0	0	0	0	0		0	0
b.	Transitional ACA Reinsurance Program											
	1. Amounts recoverable for claims paid	0	0	0	0	0	0	0	0	C	0	0
	2. Amounts recoverable for claims unpaid (contra liability)	0	0	0	0	0	0	0	0	D	0	0
	3. Amounts receivable relating to uninsured plans	0	0	0	0	0	0	0	0	E	0	0
	4. Liabilities for contributions payable due to ACA Reinsurance – not reported as cede premium	0	0	0	0	0	0	0	0	F	0	0
	5. Ceded reinsurance premiums payable	0	0	0	0	0	0	0	0	G	0	0
	6. Liability for amounts held under uninsured plans	0	0	0	0	0	0	0	0	H	0	0
	7. Subtotal ACA Transitional Reinsurance Program	0	0	0	0	0	0	0	0		0	0
c.	Temporary ACA Risk Corridors Program											
	1. Accrued retrospective premium	0	0	0	0	0	0	0	0	I	0	0
	2. Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0	J	0	0
	3. Subtotal ACA Risk Corridors Program	0	0	0	0	0	0	0	0		0	0
d.	Total for ACA Risk Sharing Provisions	0	0	0	0	0	0	0	0		0	0

Explanations of adjustments – Not applicable for year-end 2014

25. <u>Change in incurred claims and claims adjustment expense</u>

The following table shows the components of the change in claims unpaid, unpaid claims adjustment expense and aggregate health claim reserves for the years ended December 31, 2014 and 2013.

	2014	2013
Balance at January 1	42,655,129	88,562,997
Incurred related to:		
Current Year	522,132,643	597,494,570
Prior Year	(10,963,312)	(20,534,455)
Total Incurred	511,169,331	576,960,115
Paid related to:		
Current Year	478,046,730	555,030,554
Prior Year	30,638,645	66,147,918
Total Paid	508,685,375	621,178,472
Balance at December 31	45,139,085	44,344,640
Less reinsurance recoverables	(335,542)	(1,689,511)
Net balance at December 31	44,803,543	42,655,129

In 2014, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years decreased by approximately $0.8 million from approximately $1.9 million in 2013 to approximately $1.1 million in 2014. In 2013, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years increased by approximately $1.8 million from approximately $0.1 million in 2012 to approximately $1.9 million in 2013. The lower than anticipated health care cost trend rates observed in 2014 and 2013 for claims incurred in 2013 and 2012, respectively, were due to moderating outpatient and physician trends and faster than expected claim payment speed. The Company considers historical trend rates together with knowledge of recent events that may impact current trends when developing estimates of current trend rates. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Historical health care cost trend rates are not necessarily representative of current trends. The Company experienced approximately $11.0 million of favorable prior year claim development on retrospectively rated policies, which is included in the 2014 decrease. However, the business to which it relates is subject to premium adjustments. The Company excluded the impact of the change in health care receivables related to pharmacy rebates from the above roll-forward to conform to NAIC Annual Statement presentation.

Net coordination of benefits are implicit in the claims incurred but not reported calculation and could not be specifically identified.

26. Intercompany pooling arrangements

The Company did not have any intercompany pooling arrangements at December 31, 2014 or 2013.

27. Structured settlements

Not applicable to health entities.

28. Health care receivables

A. Pharmaceutical rebate receivables

NONE

B. Risk sharing receivables

The Company did not have any admitted risk sharing receivables at December 31, 2014 or 2013.

29. Participating policies

The Company did not have any participating policies at December 31, 2014 or 2013.

30. Premium deficiency reserves

	December 31, 2014
1. Liability carried for premium deficiency reserves	$0
2. Date of the most recent evaluation of this liability	12/31/2014
3. Was anticipated investment income utilized in the calculation?	Yes

31. Anticipated salvage and subrogation

See discussion of hospital and medical costs and claims adjustment expenses and related reserves in Note 1.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Kansas

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/31/2009

3.4 By what department or departments? Kansas Insurance Department

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9\. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, ONE FINANCIAL PLAZA, HARTFORD, CT 06103-4103

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11\. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
William R. Jones(employee) 151 Farmington Ave, RE2R, Hartford, CT 06156

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If yes, provide explanation

13\. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)
See Attachment

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $
- 20.12 To stockholders not officers $
- 20.13 Trustees, supreme or grand (Fraternal only) $

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $
- 20.22 To stockholders not officers $
- 20.23 Trustees, supreme or grand (Fraternal only) $

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $
- 21.22 Borrowed from others $
- 21.23 Leased from others $
- 21.24 Other $

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $
- 22.23 Other amounts paid $

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]

24.02 If no, give full and complete information, relating thereto

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

See Note 17 in Notes to Financial Statements

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [X] NA [ ]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $

24.06 If answer to 24.04 is no, report amount of collateral for other programs. $ 2,486,790

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [ ] NA [ ]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [ ] NA [ ]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [ ] NA [ ]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 2,486,773
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 2,486,790
- 24.103 Total payable for securities lending reported on the liability page $ 2,486,790

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	$
25.22	Subject to reverse repurchase agreements	$
25.23	Subject to dollar repurchase agreements	$
25.24	Subject to reverse dollar repurchase agreements	$
25.25	Placed under option agreements	$
25.26	Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	$
25.27	FHLB Capital Stock	$
25.28	On deposit with states	$ 1,819,074
25.29	On deposit with other regulatory bodies	$
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	$
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	$
25.32	Other	$

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No [ ]

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank and Trust Company	State Street Financial Center, One Lincoln Street, Boston, MA 02111-2900

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]
28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

GENERAL INTERROGATORIES

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	141,812,192	144,440,066	2,627,874
30.2 Preferred Stocks	0		0
30.3 Totals	141,812,192	144,440,066	2,627,874

30.4 Describe the sources or methods utilized in determining the fair values:

See attachment

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 60,347

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Affordable Quality Health Care	$ 17,422

34.1 Amount of payments for legal expenses, if any? $ 701,874

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	$
	$
	$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 30,559

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	$
	$
	$

14.21 The Code of Conduct was amended effective September 2014. The key substantive changes include:

- Clarification that intimidation against anyone who reports a concern is prohibited;
- The specific listing of fraud, waste and abuse as matters that should be reported to the appropriate personnel to more closely align the Code of Conduct with CMS requirements;
- Additional examples in the Conflicts of Interests and Business Expenses sections to reflect questions frequently asked by employees since 2011; and
- Additional information on the limitations on the personal political and lobbying activities to which Aetna employees and their family members are subject.

30.4 Fair value of long term bonds and preferred stocks are determined based on quoted market prices when available, fair values using valuation methodologies based on available and observable market information or by using matrix pricing. If quoted market prices are not available, we determine fair value using broker quoted or an internal analysis of each investment's financial performance and cash flow projections. Short Term investments are carried at amortized cost which approximated fair value. The carrying value of cash equivalents approximated fair value.

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U. S. business only. $ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above $

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0

1.6 Individual policies:

Most current three years:

- 1.61 Total premium earned $ 0
- 1.62 Total incurred claims $ 0
- 1.63 Number of covered lives 0

All years prior to most current three years:

- 1.64 Total premium earned $ 0
- 1.65 Total incurred claims $ 0
- 1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

- 1.71 Total premium earned $ 0
- 1.72 Total incurred claims $ 0
- 1.73 Number of covered lives 0

All years prior to most current three years:

- 1.74 Total premium earned $ 0
- 1.75 Total incurred claims $ 0
- 1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 627,742,833	$ 699,637,188
2.2	Premium Denominator	$ 627,742,833	$ 699,637,188
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	$ 57,242,635	$ 45,844,657
2.5	Reserve Denominator	$ 57,242,635	$ 45,844,657
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

- 5.31 Comprehensive Medical $
- 5.32 Medical Only $
- 5.33 Medicare Supplement $
- 5.34 Dental and Vision $
- 5.35 Other Limited Benefit Plan $
- 5.36 Other $

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Provider contracts contain hold harmless and continuity of coverage provisions. In addition, the HMO maintains an insolvency protection agreement or a guarantee with an affiliate of the HMO.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

- 8.1 Number of providers at start of reporting year 17,773
- 8.2 Number of providers at end of reporting year 17,406

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [X] No [ ]

9.2 If yes, direct premium earned:

- 9.21 Business with rate guarantees between 15-36 months 898,587
- 9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses $ 3,148,280

10.22 Amount actually paid for year bonuses $ 3,044,551

10.23 Maximum amount payable withholds $

10.24 Amount actually paid for year withholds $

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [ ] No [X]

11.13 An Individual Practice Association (IPA), or, Yes [ ] No [X]

11.14 A Mixed Model (combination of above) ? Yes [ ] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such net worth. Kansas

11.4 If yes, show the amount required. $ 27,431,361

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation

Eight percent of health care expenditures excluding capitation 8% x $342,892,009=$27,431,361

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
See attachment.

13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. $

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date. $

14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers? Yes [ ] No [X N/A [ ]

14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other

15. Provide the following for Individual ordinary life insurance* policies (U.S. business Only) for the current year:

15.1 Direct Premium Written (prior to reinsurance ceded) $

15.2 Total incurred claims $

15.3 Number of covered lives

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

GENINTPT2 - Attachment

Coventry Health Care of Kansas license covers the following counties:

Kansas- Allen, Anderson, Atchison, Barber, Barton, Bourbon, Brown, Butler, Chase, Chautauqua, Cherokee, Clay, Cloud, Coffey, Comamche, Cowley, Crawford, Dickinson, Doniphan, Douglas, Edwards, Elk, Ellis, Ellsworth, Franklin, Geary, Greenwood, Harper, Harvey, Jackson, Jefferson, Jewell, Johnson, Kingman, Kioaw, Labette, Leavenworth, Lincoln, Linn, Lyon, Marion, Marshall, McPherson, Miami, Montgomery, Morris, Nemaha, Neosho, Osage, Osborne, Ottawa, Pawnee, Phillips, Pottawatomie, Pratt, Reno, Republic,Riley, Rooks, Rush, Russell, Saline, Sedgewick, Shawnee, Smith, Stafford, Sumner, Wabaunsee, Washington, Wilson, Woodson, Wyandotte.

Missouri- Andrew, Barry, Barton, Bates, Benton, Buchanan, Caldwell, Carroll, Cass, Cedar, Christian, Clay, Clinton, Dad, Dallas, Daviess, Dekalb, Dent, Douglas, Gentry, Greene, Grundy, Harrison, Henry, Hickory, Howell, Jackson, Jasper, Johnson, Laclede, Lafayette, Lawrence, Livingston, Newton, Oregon, Ozark, Pettis, Phelps, Platte, Polk, Pulaski, Ray, Saline, Shannon, St. Clair, Stone, Taney, Texas, Vernon, Webster, Wright.

Oklahoma-Canadian, Cleveland, Oklahoma, Okmulgee, Payne, Rogers, Tulsa, Wagoner, Creek, Pawnee.

Arkansas- Benton, Carroll, Crawford, Franklin, Logan, Montgomery, Scott, Sebastion, Washington

FIVE - YEAR HISTORICAL DATA

	1 2014	2 2013	3 2012	4 2011	5 2010
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	230,164,297	204,423,051	248,095,965	209,166,979	168,741,414
2. Total liabilities (Page 3, Line 24)	120,802,362	88,915,611	134,363,039	94,659,334	83,676,663
3. Statutory surplus	27,431,361	47,580,944	62,485,393	30,265,826	32,147,459
4. Total capital and surplus (Page 3, Line 33)	109,361,935	115,507,439	113,732,926	114,507,645	85,064,751
Income Statement (Page 4)					
5. Total revenues (Line 8)	614,952,081	699,679,587	1,040,211,856	595,912,987	532,179,093
6. Total medical and hospital expenses (Line 18)	514,836,490	580,908,081	921,546,097	490,885,767	448,096,291
7. Claims adjustment expenses (Line 20)	11,134,834	35,236,492	34,846,129	26,057,472	19,520,107
8. Total administrative expenses (Line 21)	58,274,087	44,214,639	72,483,677	38,675,867	37,191,876
9. Net underwriting gain (loss) (Line 24)	30,706,670	39,320,376	11,335,953	40,293,879	27,370,819
10. Net investment gain (loss) (Line 27)	3,682,694	3,796,489	(40,962,837)	4,104,758	4,111,623
11. Total other income (Lines 28 plus 29)	0	(158,439)	(125,525)	(23,689)	(35,702)
12. Net income or (loss) (Line 32)	24,476,702	33,904,909	(29,732,065)	31,592,192	19,690,255
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	15,788,051	14,314,717	35,945,070	17,412,417	31,069,803
Risk-Based Capital Analysis					
14. Total adjusted capital	109,361,935	115,507,439	113,732,926	114,507,645	85,064,751
15. Authorized control level risk-based capital	19,377,568	21,397,231	33,151,537	18,700,407	16,146,042
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	80,715	89,819	270,520	120,739	127,861
17. Total members months (Column 6, Line 7)	995,228	1,287,646	3,339,122	1,430,124	1,542,137
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	83.7	83.0	88.6	82.4	84.2
20. Cost containment expenses	1.3	1.2	0.9	1.2	1.2
21. Other claims adjustment expenses	0.5	3.9	2.5	3.2	2.5
22. Total underwriting deductions (Line 23)	95.0	94.4	98.9	93.3	94.9
23. Total underwriting gain (loss) (Line 24)	5.0	5.6	1.1	6.8	5.1
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	31,691,817	69,631,244	43,320,802	42,148,716	45,423,428
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	45,844,657	89,922,180	45,529,880	49,694,011	47,807,784
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated		0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above		0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama AL	N							0	0
2.	Alaska AK	N							0	0
3.	Arizona AZ	N							0	0
4.	Arkansas AR	L		7,262,745					7,262,745	0
5.	California CA	N							0	0
6.	Colorado CO	N							0	0
7.	Connecticut CT	N							0	0
8.	Delaware DE	N							0	0
9.	District of Columbia DC	N							0	0
10.	Florida FL	N							0	0
11.	Georgia GA	N							0	0
12.	Hawaii HI	N							0	0
13.	Idaho ID	N							0	0
14.	Illinois IL	N							0	0
15.	Indiana IN	N							0	0
16.	Iowa IA	N							0	0
17.	Kansas KS	L	216,317,878	59,168,966		35,357,519			310,844,363	0
18.	Kentucky KY	N							0	0
19.	Louisiana LA	N							0	0
20.	Maine ME	N							0	0
21.	Maryland MD	N							0	0
22.	Massachusetts MA	N							0	0
23.	Michigan MI	N							0	0
24.	Minnesota MN	N							0	0
25.	Mississippi MS	N							0	0
26.	Missouri MO	L	4,567,004	108,871,095					113,438,099	0
27.	Montana MT	N							0	0
28.	Nebraska NE	N							0	0
29.	Nevada NV	N							0	0
30.	New Hampshire NH	N							0	0
31.	New Jersey NJ	N							0	0
32.	New Mexico NM	N							0	0
33.	New York NY	N							0	0
34.	North Carolina NC	N							0	0
35.	North Dakota ND	N							0	0
36.	Ohio OH	N							0	0
37.	Oklahoma OK	L	7,580,000	560,334					8,140,334	0
38.	Oregon OR	N							0	0
39.	Pennsylvania PA	N							0	0
40.	Rhode Island RI	N							0	0
41.	South Carolina SC	N							0	0
42.	South Dakota SD	N							0	0
43.	Tennessee TN	N							0	0
44.	Texas TX	N							0	0
45.	Utah UT	N							0	0
46.	Vermont VT	N							0	0
47.	Virginia VA	N							0	0
48.	Washington WA	N							0	0
49.	West Virginia WV	N							0	0
50.	Wisconsin WI	N							0	0
51.	Wyoming WY	N							0	0
52.	American Samoa AS	N							0	0
53.	Guam GU	N							0	0
54.	Puerto Rico PR	N							0	0
55.	U.S. Virgin Islands VI	N							0	0
56.	Northern Mariana Islands MP	N							0	0
57.	Canada CAN	N							0	0
58.	Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal	XXX	228,464,882	175,863,140	0	35,357,519	0	0	439,685,541	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	(a) 4	228,464,882	175,863,140	0	35,357,519	0	0	439,685,541	0
DETAILS OF WRITE-INS										
58001.		XXX							0	
58002.		XXX							0	
58003.		XXX							0	
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

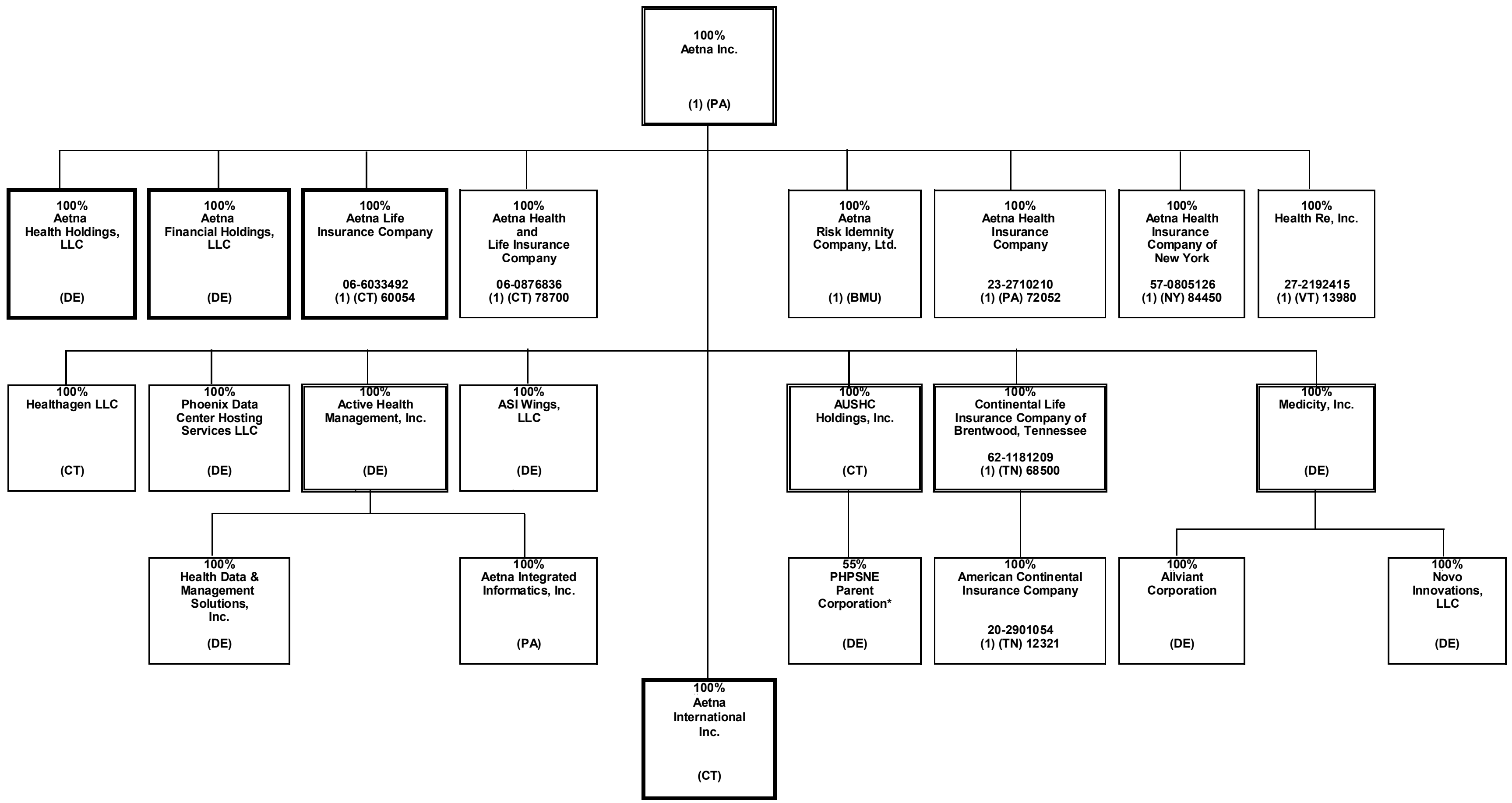
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc. Allocated by State based on group location

(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

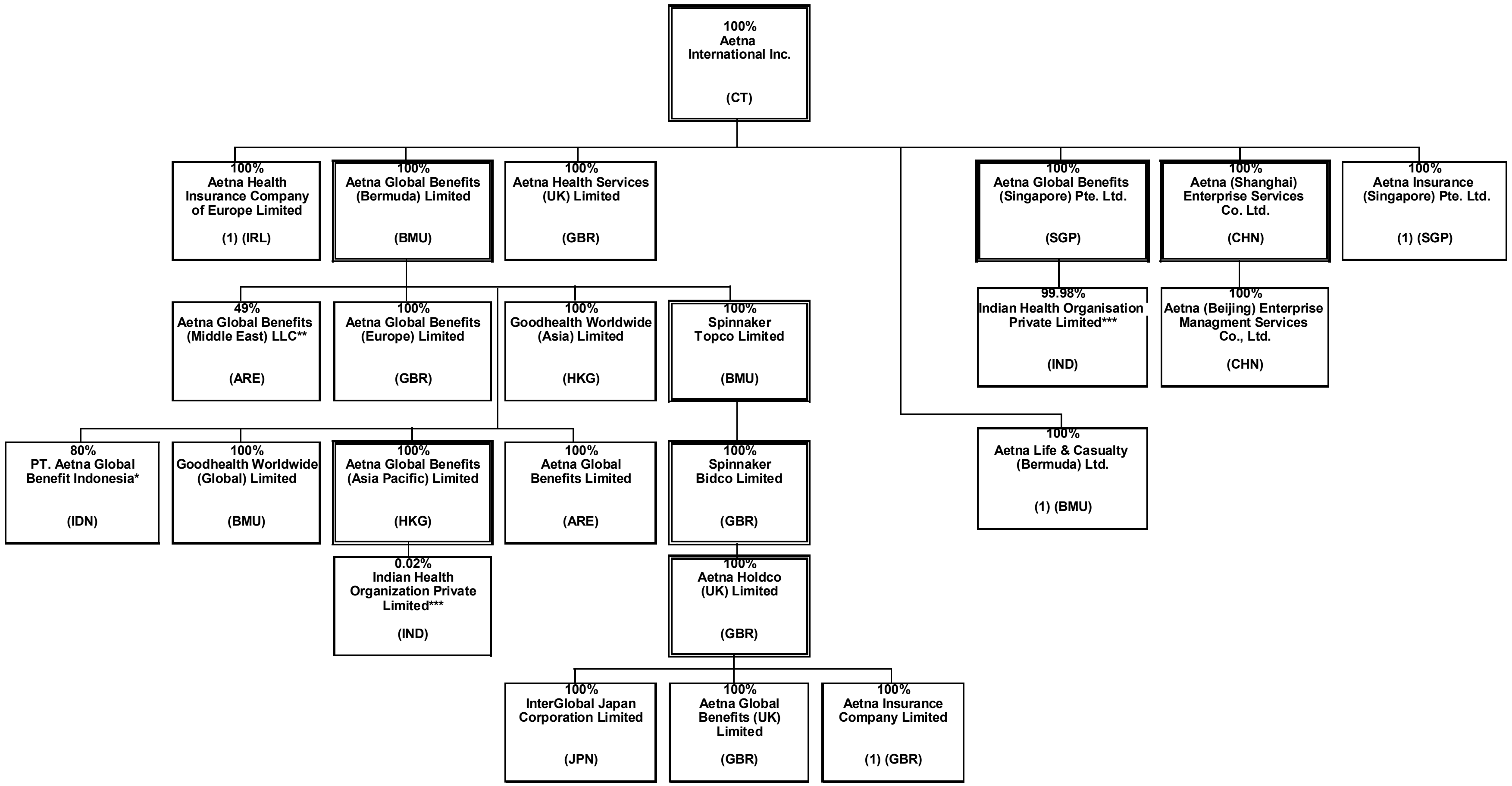


(1) Insurers/HMO's
Percentages are rounded to the nearest whole percent and based on ownership of voting rights.
Double borders indicate entity has subsidiaries shown on the same page.
Bold borders indicate entity has subsidiaries shown on a separate page.

*55% is owned by AUSHC Holdings, Inc. and 45% is owned by third parties.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

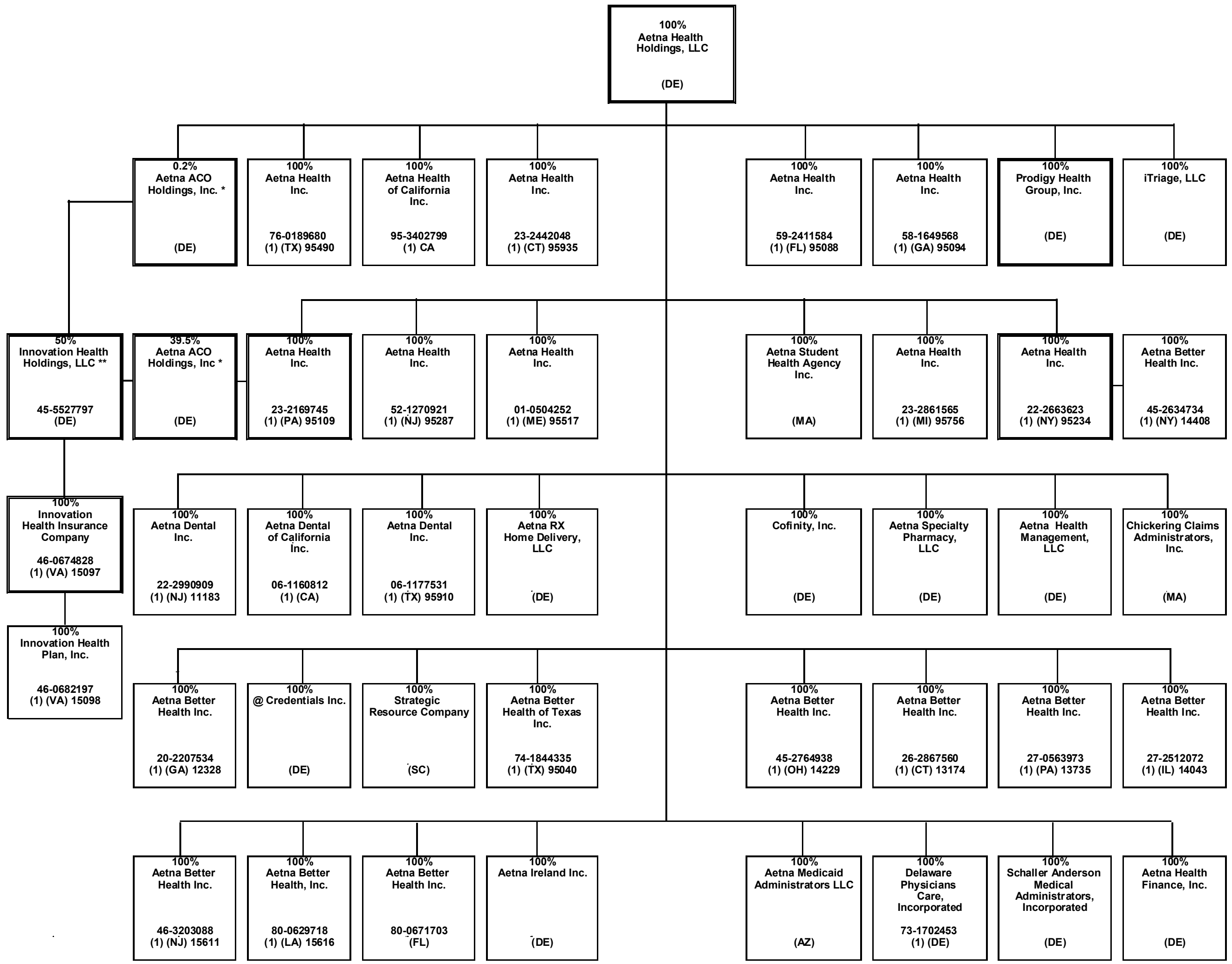
PART 1 - ORGANIZATIONAL CHART



*Aetna Global Benefits (Bermuda) Limited owns 80% and 20% is owned by Suhatsyah Rivai, Aetna's Nominee.
** Aetna Global Benefits (Bermuda) Limited owns 49% and 51% is owned by Euro Gulf LLC, Aetna's Nominee.
*** Aetna Global Benefits (Asia Pacific) Limited owns 0.019857% of Indian Health Organization Private Limited and Aetna Global Benefits (Singapore) Pte. Ltd. owns 99.980143%.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

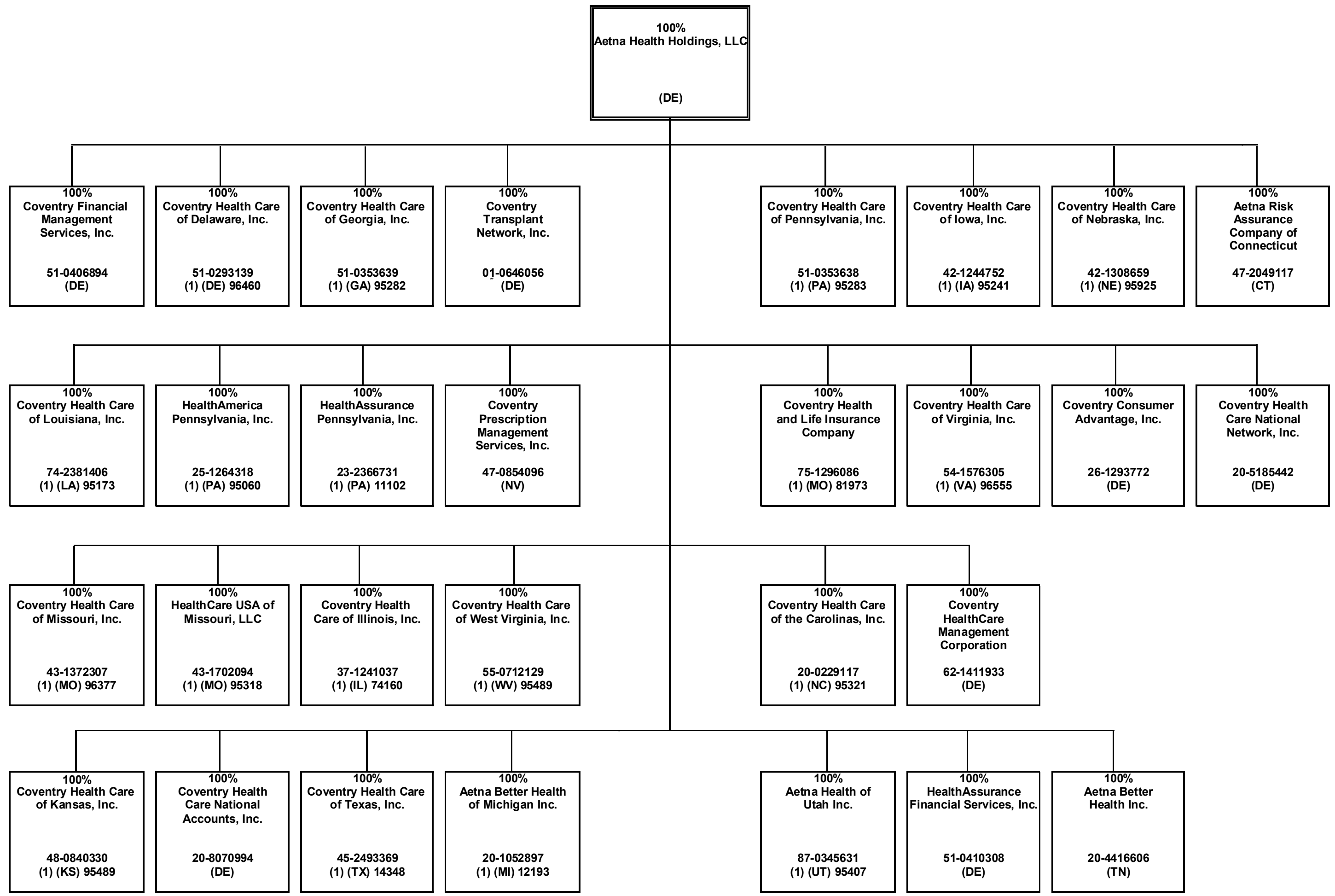
PART 1 - ORGANIZATIONAL CHART



* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.

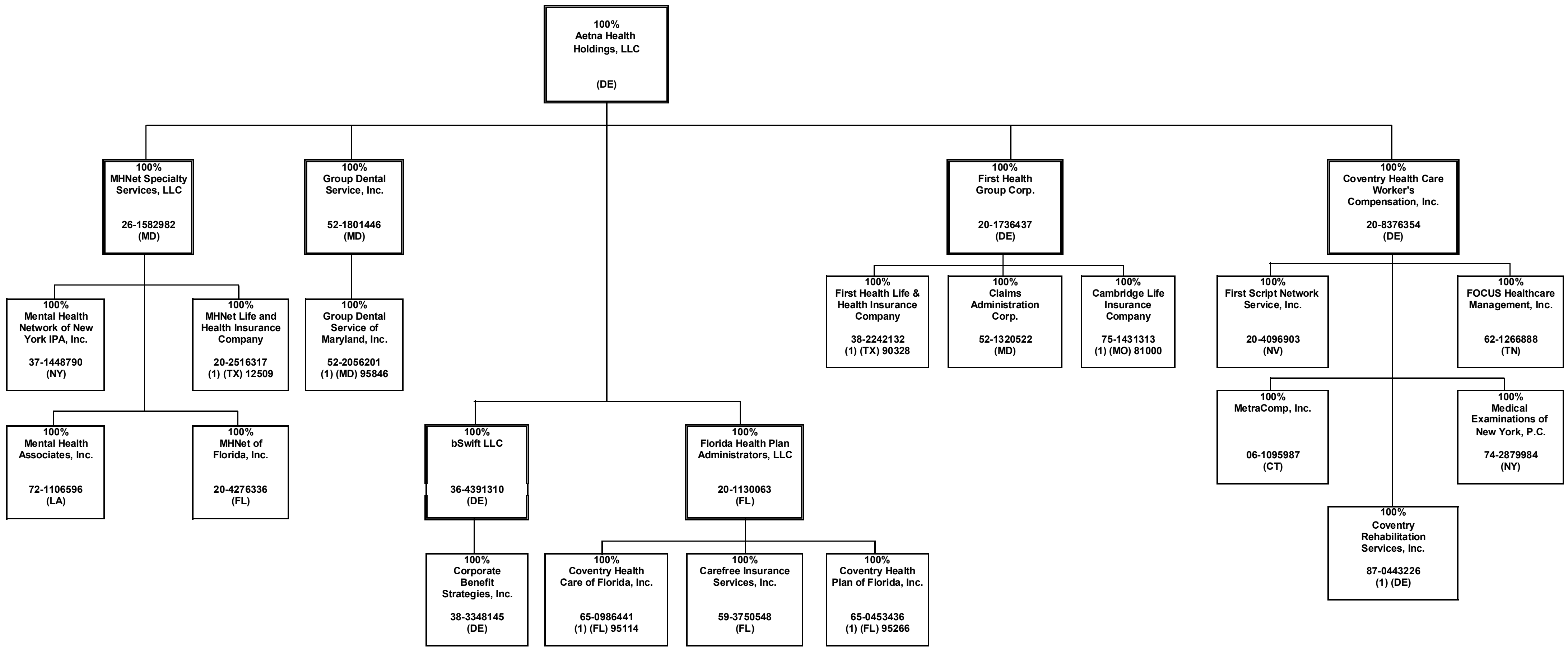
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



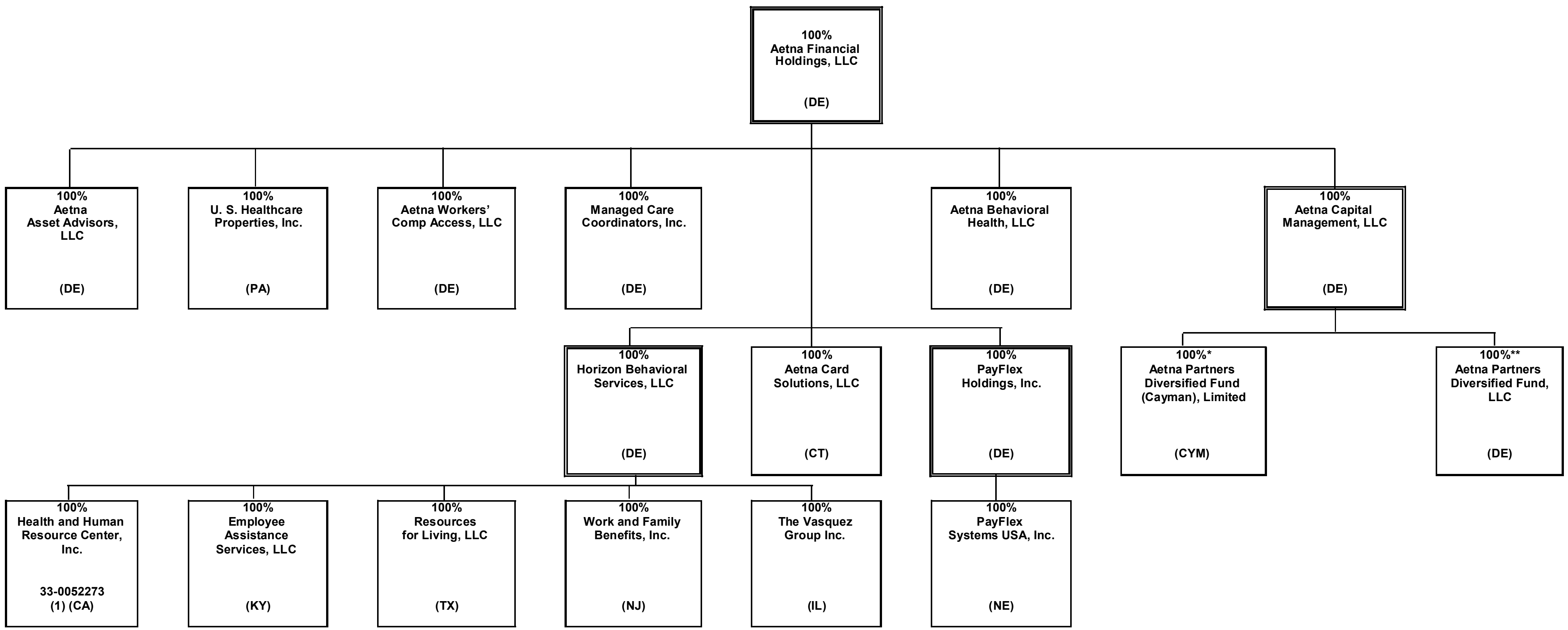
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

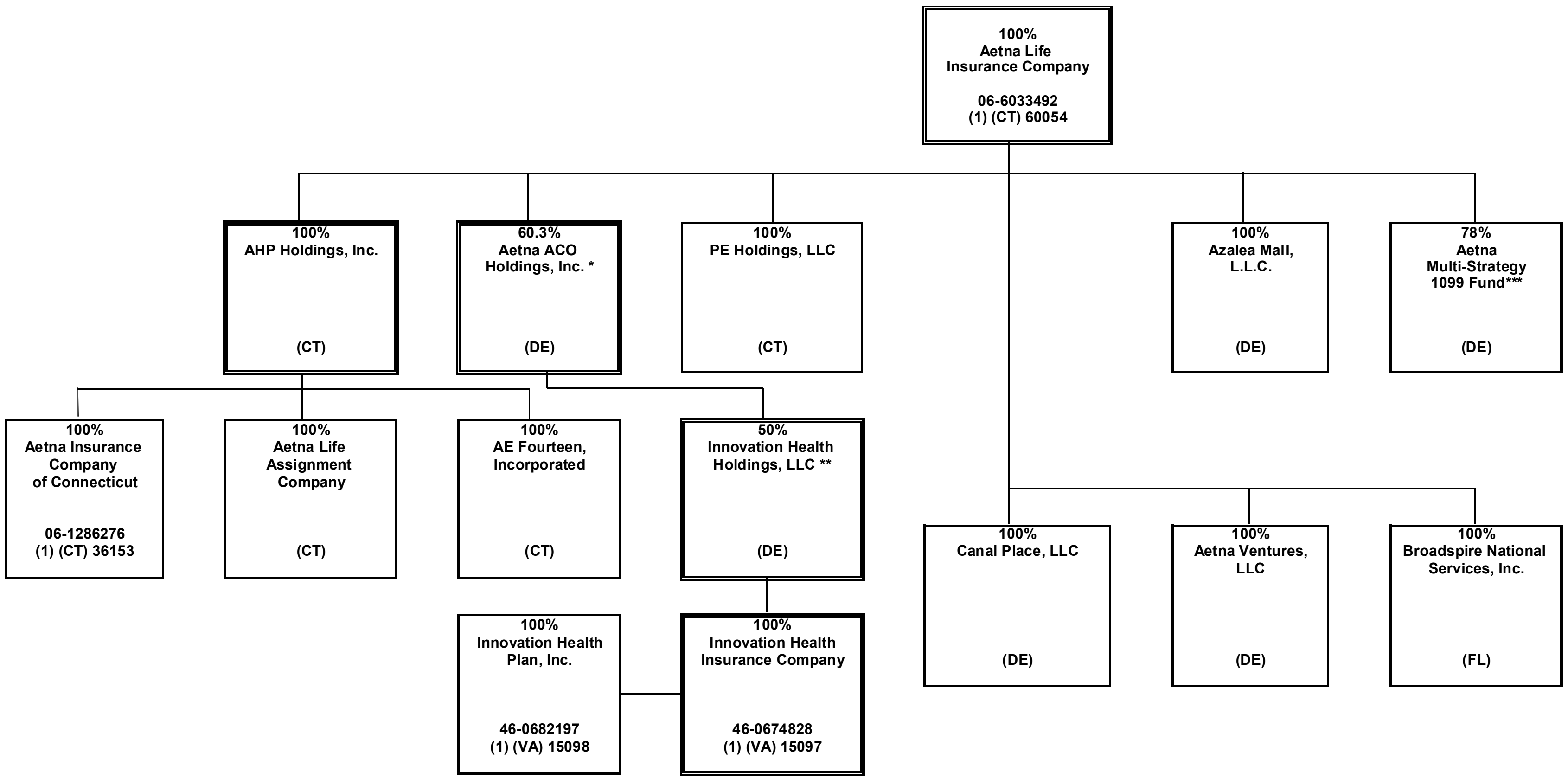
PART 1 - ORGANIZATIONAL CHART



* Aetna Life Insurance Company owns the Class C participating shares of Aetna Partners Diversified Fund (Cayman), Limited.
** Aetna Life Insurance Company and Aetna Health and Life Insurance Company own substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

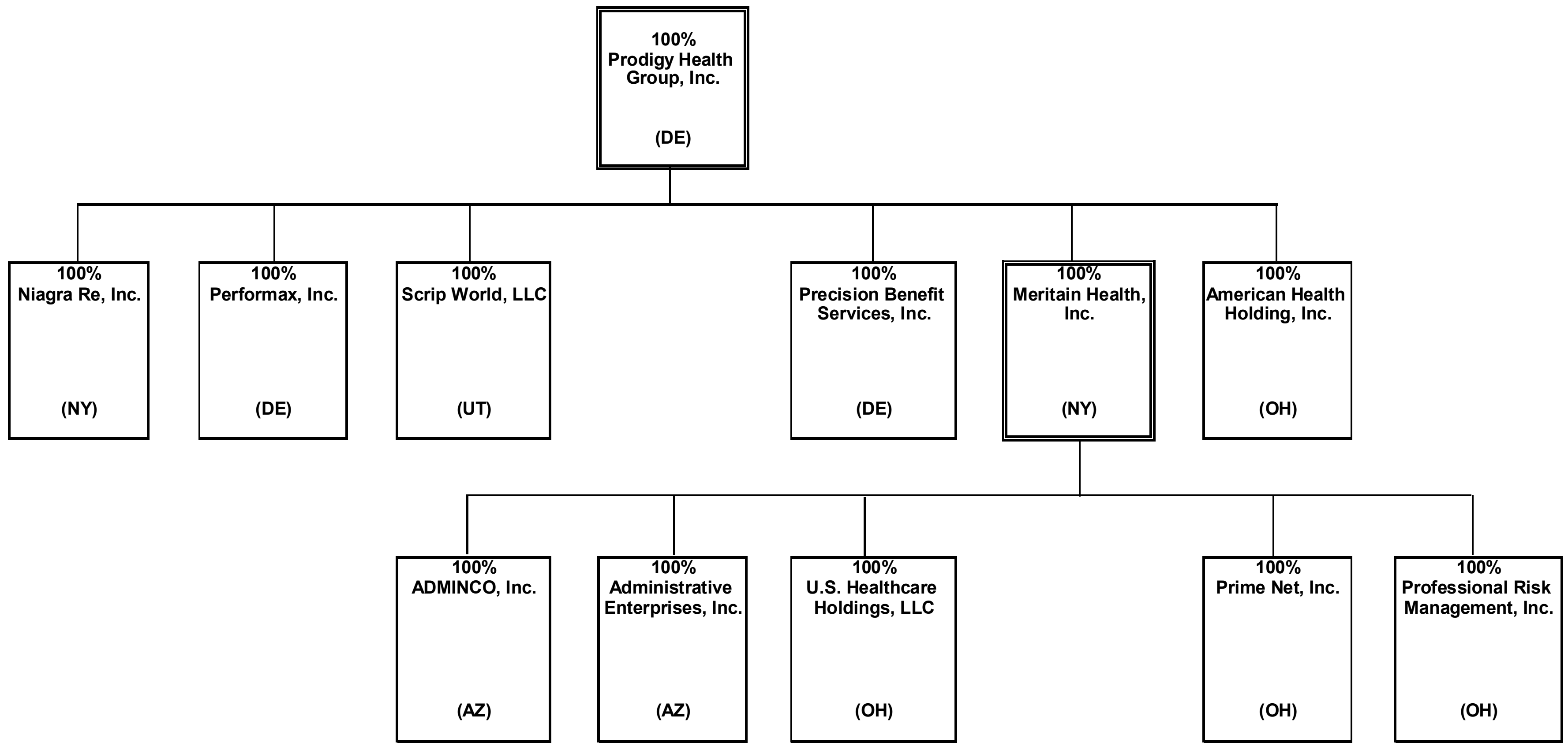
PART 1 - ORGANIZATIONAL CHART



* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.
***78% is invested and owned by Aetna Life Insurance Company and 22% is invested and owned by external accredited investors.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY

PART 1 - ORGANIZATIONAL CHART



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)